THE

BANKERS' MAGAZINE.

RHODES' JOURNAL OF BANKING AND THE BANKERS' MAGAZINE

CONSOLIDATED.

VOLUME LVII.

JULY TO DECEMBER,

1898.

736-736.

NEW YORK:

BRADFORD RHODES & CO., PUBLISHERS,

78 WILLIAM STREET.

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July to December, 1898.

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ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

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BANKERS' OBITUARY RECORD.

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Price, bound in cloth with leather backs and corners, $3.50 a volume. By mail or express, prepaid, 25 cents additional.

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RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SECOND YEAR. JULY, 1898. VOLUME LVII, No. 1.

THE POSTPONEMENT for the present of action upon the currency bill before Congress is to be regretted upon many grounds, but there is no doubt that those who are managing the progress of the bill acted with good judgment in the matter upon all the facts before them. They could certainly be trusted not to abandon the effort to secure action so long as there was any apparent wisdom in insisting that the bill should be taken up.

The failure of the House to act will be regarded by many sincere currency reformers as a serious check to the movement, but the BANKERS' MAGAZINE has the best of reasons for stating that this is not the fact. It would have been highly gratifying if the Republican leaders in the House had seen fit to permit the passage of the bill reported by Mr. McCLEARY, but it is not surprising that the entire majority in Congress was not educated in a single session to the necessity and advantages of the protection of the Treasury and the adoption of a flexible banking currency by means of a comprehensive bill. The gratifying fact is that the work of education, under the earnest and tactful management of Mr. H. H. HANNA, Chairman of the Indianapolis Committee, Mr. McCLEARY, Mr. FOWLER and Mr. WALKER and other members of the Banking and Currency Committee, progressed so far as it did, and that the assurance is so convincing that action will be taken by the next Congress, if both Houses are controlled by the sound money men.

The leaders of the currency reform movement succeeded in obtaining the most definite assurances, from those standing highest in the Republican Party, that this subject would be taken up in earnest and without flinching in the next Congress and that the McCLEARY bill or something closely resembling it should be passed.

The objections finally made by the party leaders to action at the present session were essentially of a political character. The party leaders disliked to go before the country with a measure which had simply passed one House without receiving the test of practical trial. Many of those prominent in the movement for currency reform were not concerned with the question of party advantage, since they represent earnest members of both political parties; but they were led to believe that the bill itself might be endangered by the opposition of a powerful group of leaders at the present time. This being the case, it was thought best to abandon the effort to secure action at the present session, in view of the assurance that all obstacles would disappear and all opposition be withdrawn in another Congress, when it is expected that the Senate as well as the House will be for sound money.

The surprising and gratifying feature of the campaign before Congress has been the complete triumph which has been won upon the economic issue. Opposition to the protection of the Treasury, by throwing upon the banks the current redemption of the legal-tender notes, and to a flexible banking currency based upon commercial assets, has practically disappeared from Congress. There was reason to fear that both these reforms would be bitterly resisted by Republican as well as by silver Democratic members. The fact that the Republican leaders, in seeking to delay action until the next Congress, expressed their entire satisfaction with the scope of the McCleary bill, practically closes the issue upon the economic side. Chairman Walker, whose sturdy insistence upon his own views has been one of the notable features of the discussion of banking reform, has filed a report in which his chief criticism of the McCleary bill is that it does not go far enough in basing currency upon commercial assets. If the silver Democrats file any report, it will probably be in favor of the repeal of the ten per cent. tax upon State bank issues. Thus there is practically an admission by all parties and factions that a scientific banking currency based upon liquid assets is the essential requirement of our financial condition. With the ground thus cleared, success for currency reform ought to be assured in the near future.

The work of the mints will be increased by the requirement of the new law that silver dollars to the amount of $1,500,000 shall be coined each month until the silver bullion now in the Treasury shall all be coined. These institutions are now working up to their full capacity and this new requirement, combined with the increase of gold bullion, will compel them to work overtime.

It is said that the stock of gold bullion at the San Francisco Mint now amounts to about $4,500,000 and it is expected that during July and August at least from twelve to fifteen millions more will be received from the Klondike region. The gold bullion in the Treasury, that is in all the sub-Treasuries, assay offices and mints, has increased from $25,575,028 to $96,998,864 on June 1. This is due to the large importations of gold from abroad at New York and San Francisco. It is estimated that beginning in March over $65,000,000 in gold was withdrawn from European markets alone. A large portion of this was taken from the Bank of England and the London market, and the Bank's reserve was in April reduced to thirty-seven per cent. English trade being active at the time the rates for money were raised, and the result was a large inflow of gold from Australia and Africa. The ratio of reserve has since April risen to forty-nine per cent.

The Bank of England, unlike the Bank of France, throws no obstacles in the way of the withdrawal of gold other than the natural one of increasing the discount rate in proportion to the demand for money.

In view of these accumulations of gold, not only in England and the United States but in other foreign money markets, it does not seem likely that the supply for monetary purposes will prove inadequate, as has been the burden of the apprehensive philosophers of "Coin's Financial School."

In view of the large accumulation of gold bullion in the Treasury Secretary GAGE has recommended that it be coined during the present year. There is no doubt that this is a wise recommendation. Coin is much more available than the bullion in its present form.

While there is no reason to apprehend any demand for gold coin, in fact all indications point in a different direction, yet in view of the great financial efforts the Government is making, it is well for the Treasury to take every precaution. Nothing can advance the interests of the gold standard to a greater degree than to have the people accustomed to the use of gold. The novelty of this use at first will no doubt cause some complaint on account of supposed inconvenience. This supposed inconvenience is a matter of sentiment and custom, at least as to the amounts of money which people usually carry. In California, where gold has always circulated, the people do not complain of its inconvenience. Even silver dollars, although much more open to the same complaint, do not cause any particular trouble in ordinary sums.

It is probable that if a sufficient amount of gold coin were in circulation so that people generally were accustomed to seeing and handling it, that it would not be long before it would be preferred to bills except for large sums. It would be better for the banks and financial institutions if more gold was in the hands of the people. In

Great Britain the stock in circulation is often of great assistance to the banks in times of stringency. It is probable that Congress will give Secretary GAGE the appropriation he asks for, to place the gold bullion in the Treasury in the form of American coin.

A NATIONAL BANKRUPTCY BILL has been finally agreed upon by the conference committee of the House and Senate, and it is not improbable that the country may have the benefit which will accrue from such a law.

The struggle appears to have been between the forces representing the two great classes which are necessary to all bankruptcy proceedings, debtors and creditors. To be able to force any one into bankruptcy it was necessary to define what constituted insolvency, and the committees of the House and Senate have defined this state to be reached when a debtor's obligations exceed the value of his property at a fair valuation. This is a very free definition and one under which there cannot be very much if any oppression.

The country has not been very well satisfied with the operation of former bankrupt laws, and it is undoubtedly a difficult matter to enact laws on this subject which will be entirely satisfactory; but the imperfect jurisdiction of the States in reference to such matters, and the consequent impossibility of a debtor ever securing a valid release under State law, make national bankrupt legislation a necessity.

The war excitement seems to be a good time to clear up legislation which has occupied the attention of Congress for years back, without managing to get accomplished. The excitement attendant on looking for war news seems to give legislators confidence that they will not be so closely watched and called to account by their constituents. There are many good bills that fail to pass because representatives fear local prejudices. When these are kept in the background by the preoccupation of mind occasioned by the war, a legislator may dare to come forward and support a good bill on its merits. The same rule unfortunately applies to bad or unwise legislation also, and other measures not so wise as a bankruptcy law may get on the statute books.

THE HOPES OF SPECULATORS, who expected that the war would be full of sudden turns of fortune that would cause great fluctuations in stocks and bonds and give opportunities for profits, have so far not been realized. While reverses and checks to our forces are possible, they are not very probable considering the inert manner in which

Spain appears to be conducting her side of the controversy. She may be playing 'possum and may suddenly show a return to life; but just at present she maintains an attitude of patient resignation, apparently expending little effort or money in endeavoring to assist her forces in Manila and the West Indies.

But this war on the part of the United States has not assumed any such proportions as are at all likely to affect the ordinary vitality of the nation in its industries and productions. Even if some checks should be received, it is inconceivable that their effect on the stock market will be very great. The increased activity in many departments of business due to the war will be advantageous to those concerned. Even those kinds of business which it is claimed have been retarded by the war will revive again when it is found that notwithstanding the expeditions sent out that the usual routine goes on at home.

It is of course too soon to judge of the full influence of the war until the new tax laws come into operation. But after all the taxes imposed by the war revenue bill are very light compared with the taxes imposed during the Civil War, without speaking of the increased strength of the nation to bear them. Many of them will, until people get accustomed to them, prove annoying; but in the end they will not be regarded as onerous. Business will soon shape itself to them. It is therefore to be anticipated that the general prosperity and the tendency to an increase of business of all kinds will not be greatly retarded.

While not arguing that a war is a benefit, yet since war it is, the best course is to strive to look at those features from which good may be extracted even from a war of this degree.

One of these points is that the war has certainly changed the current of people's ideas from the tendency to stagnation and despondency left as a legacy after the paralysis of the financial panic of 1893. Congress has seemed to wake up under the war pressure and has legislated or is legislating with an activity unprecedented for years. The existence of a state of war seems to bring the people face to face with realities, and enable them better to detect and cast away shams.

THE CONDITION OF THE BANK OF SPAIN continues to show a growing strain upon its resources. The outstanding notes issued by the Bank are increasing in volume, although large amounts have been presented for redemption in silver, showing an apprehension on the part of the holders that the strain upon the institution in financing the Government through the war may eventually result in the suspension of payments even in silver coin. The Bank has a large stock of gold coin, which continues untouched, because for a long time the Bank has refused to redeem its notes in gold.

It has been reported that the Spanish Government has been buying silver to sustain the Bank. It will undoubtedly be possible for the Bank to maintain silver payments for a long time to come if it gradually uses its gold reserve to buy silver at present prices. There is, however, as yet no sign in the Bank's published statements of any financial difficulty except the gradual decrease in the silver reserve. The gold on hand is greater by five millions of dollars than it was at the same period in 1897. The silver has decreased $24,000,000 during the year while the notes have increased by about $40,000,000. The premium on gold in Madrid has lessened rather than increased.

From all this it would appear that Spain has not yet been making such serious financial efforts as to cause any grave doubts of her solvency in the minds of the financial world. She does not appear to be expending much either on her fleets or her armies. Apparently she is leaving her forces in Manila and Cuba and other exposed points to take care of themselves. She appears to be doing like the man who had the note coming due which he could not pay. She is letting the other fellow do the walking. If she adheres to this policy of apparent passivity, the war may not be so expensive to her as might at first sight appear. The condition of the money market is usually a pretty good criterion of how a war is affecting a country, and judged by this Spain is not yet suffering very much or exercising herself unduly at home. Whatever may be the case with her forces in Manila and Cuba, she is fighting the fight of sit down, so far.

THE GREAT WHEAT DEALS managed by JOSEPH LEITER have at length collapsed, like all previous attempts to control the grain markets. LEITER was for a long time so successful through a marvellously lucky concatenation of circumstances that most every one thought that he would prove an exception in the long list of those who have sought profit by cornering the wheat product. There always seems to be a mistake of some kind in the estimates made as to the so-called visible supply of wheat. When the prices are forced high enough there seems always enough more to follow to wreck the calculations of the speculator.

Speculators and dealers in wheat generally have always depended very greatly on the Government's estimates of the crop. But experience for years past seems to indicate that the Government bureau having control of this matter is affected by an incontrollable tendency to make its estimates too low. The crop of 1897 was far from being an exception to the general failure of the bureau in this respect. The first estimate made was for 460,000,000 bushels, and subsequently finding this to be too little the estimate was raised to 530,000,000. When high prices began to prevail and attracted the reserve stores, it began to be discovered that 600,000,000 bushels was not much if any in excess of the facts.

A man like LEITER buys from fourteen to twenty millions of cash wheat hoping to control the market on such an estimate as 530,000,000 bushels, and there is the possibility of seventy millions more bushels tumbling in which makes his twenty millions look exceedingly small in comparison. With wheat even at fifty cents there are very few men rich enough to buy this unknown surplus, even if they knew there would be such a demand for it as to make a profit certain.

The wheat crop of 1897 was a good one for this country and if other wheat-growing countries had had crops of corresponding excellence, the price of this cereal would have been very low. The drought in India and Australia, a wet harvest in France and floods in other countries, ruined the crops of the usual competitors. This year no doubt owing to the high price at which wheat has ruled, larger areas have been sown and the crop in the United States promises well. But so do the wheat crops of other producing countries.

It is not improbable therefore if nothing serious happens to mar the present prospect that the price of wheat may tend to fall off during the next year. But even with large crops it would not follow that the price would fall as low as it was in 1894. The cheap prices that then prevailed undoubtedly increased the consumption of this grain, and probably tended to introduce it where it will always be in future demand.

The history of the LEITER speculation shows that like other movements affecting the price of commodities of universal consumption, the effects were not wholly bad or wholly good. All those who had wheat reserved benefited by the increased price, and the fate of the originator and engineer of the deal will be a warning to those who seek to force food products either too high or too low.

The extremes of speculation are always dangerous not only to the speculators but to the public, but the ordinary range at which this business is conducted has great benefits. If producers of grain, for instance, were without the information which springs from the great grain exchanges, there would be no uniformity in price; some would get less and others more than the real conditions warranted. That form of dealing called speculation in futures is more inveighed against than any other. But in reality this form of dealing distributes the consumption of the crop over the coming months so that the present price does not sink unduly, because the crop is as yet intact and only called on to supply the current month's demand.

The impossibility of such arrangement in case of perishable products, which can only be preserved at great expense, causes prices to be very low when the crop is ready and afterwards excessively high with little benefit to the producer. Thus fruits which can only be kept under certain conditions are always very low in the ripening season, but such as can be preserved command high prices when the great bulk has perished. If all could be preserved in some way and the probable consumption calculated on and foreseen, as in the case of wheat, the price would never be so high at one time and so low at others—the producer would always have a more certain market on which he could make securer calculations. It is just this quality in wheat of being practically capable of long preservation, combined with a certain steadiness of price produced by the labor and thought bestowed on calculating its future consumption with reference to the supply, that makes it a favorite crop. This fact, it is true, operates at times to encourage a production unwarranted by any possible consumption, and thus accumulations from year to year lower the price.

If the farmers of the country and of other countries could make as nice calculations as to production as are made in the great grain exchanges in regard to future consumption, the price would be always very nearly the same. To the producer of any crop steadiness of price would be worth much more than all he can gain by a temporary high price. Steadiness of price teaches him just what to expect in raising any crop. It exposes him to less competition, for all who would attempt competition can calculate whether they can afford to go into that particular line or not. Occasional high prices encourage competition and cause overproduction. The operations of the exchanges encourage steadiness of prices and thus benefit not only the producer but also the regular legitimate dealer who is content with slow and constant profits.

But no human machinery or organization can be conceived that will not be forced to extreme action occasionally. Speculators like LEITER take advantage of the conditions prepared for altogether other purposes and try to use them for their own inordinate profit. The whole world of steady buyers and sellers are against these extreme speculations and tacitly combine to bring them to grief. And this in the long run they invariably accomplish.

THE WAR REVENUE BILL as finally enacted contains a provision for coining the silver bullion in the Treasury at the rate of $1,500,000 per month. This provision represents the compromise it was necessary to make with the silver element in the Senate in order to secure the passage of the bill.

This seigniorage is the difference between the gold price paid for the silver bullion purchased under the Act of July 14, 1890, and the face value of the standard silver dollars that can be coined from it.

Originally the gold price of the silver bullion purchased, under the Act named, by the issue of Treasury notes redeemable in gold at the discretion of the Secretary of the Treasury, was about $160,000,000. It stood on the books of the Treasury on June 1, 1898, at $98,443,-952. The difference represents the amount already coined into dollars, which are held in the Treasury either as security for silver certificates or for Treasury notes. The Treasury notes issued in payment for this silver bullion originally amounted to about $160,-000,000. They had been reduced on June 1 to $100,226,855 in circulation.

These Treasury notes were a most important factor in causing a drain on the gold reserve. As fast as redeemed they have been cancelled, and silver dollars or silver certificates issued in their place.

There remains therefore silver bullion in the Treasury representing a gold price of $98,443,952 paid for it. This bullion was purchased from month to month after the passage of the Act of July 14, 1890, at the market prices then prevailing and the average price paid was about eighty cents per ounce. At this price per ounce, the $98,443,952 represents about 110,554,940 ounces of silver. This silver will be sufficient to coin about 140,000,000 silver dollars, and at the rate of $18,000,000 per year the coinage of the whole mass of silver will occupy between seven and eight years.

About $100,000,000 of this coinage will be retained in the Treasury, just as the silver bullion has hitherto been, to protect the outstanding Treasury notes or the silver certificates which may be substituted for them; and the remainder, about $44,000,000, will be an increase in the general stock of currency in the country. This increase will, however, be very gradual, and the Secretary of the Treasury will have every opportunity to increase the gold reserve as may be required.

The increase of $44,000,000 extending over eight years represents what is called the seigniorage, and even without this provision in the war revenue bill most of it would have been coined and gotten into circulation within the next ten years at least.

The point yielded by the sound money element seems therefore to be a rather harmless grant to soothe the susceptibilities of the silver men and enable them to stand well with their constituents.

The truth seems to be that even the most enthusiastic leaders of the silver forces are apparently convinced of the hopelessness of securing any further concessions to silver in face of the overwhelming sound-money sentiment that is gaining ground in the United States.

This coinage of $1,500,000 per month is a little sop thrown to these men to enable them to justify themselves to their following, who during the next eight years may be gradually induced to give their attention to other objects of agitation. This provision is of course objectionable to those who are seeking to reform the currency of the country, and it imposes an additional dead weight to be carried in the shape of an increased gold reserve. But it is to be hoped that the growth of the country, the expansion of business and the increase of population during the next decade, will render the burden very light. Compared with what was undertaken in 1878, under the Bland law, and in 1890 under the Act of July 14 of that year, it is not much. But the best feature of the compromise is that the silver men were content if not satisfied with so comparatively slight a concession. It shows that the issue as a political one is weakening and that the men who have regarded it as the foundation of their power are beginning to distrust it.

On the whole, as long as this mass of silver bullion remained in the Treasury without any decision as to the manner in which it was to be disposed of, it would have continued an extremely awkward factor in our finance. Moreover in this condition it was a constant threat to the silver market. Now that it is definitely known that it is to enter gradually into circulation, this threat is taken away. Nor can it be used in every political debate as a mischief-maker and a marplot. This final decision that it is to be coined at last settles what is to become of it. It is therefore very probable that the silver producers of the country may derive a benefit from this action, in a firmer tone in the silver market.

THE REFUSAL TO ISSUE MORE GOVERNMENT NOTES for the support of the war shows that the general sentiment in Congress is sound. Some have feared that the excitement caused by the war would be used to repeat the resort to expedients justified by the financial condition of the country in 1861, which would be extremely dangerous at the present time.

But the conduct of Congress shows that body to be fully alive to the fact that public opinion has become very much enlightened on financial subjects since the days of the Civil War. The idea that all that is necessary to boom business is unlimited supplies of currency, has lost favor with a public that has for so many years had the use of an abundant currency all of which has been kept at the gold par. There have been too many practical object lessons during the past thirty years, showing that business and commercial panics have no necessary connection with the aggregate amount of money available for circulation. It is true that in times of business depression money does not circulate, but a stoppage of the circulation of money is recognized as a different thing from the lack of money available for circulation.

The public begins to recognize the fact that when lack of confidence prevents the free circulation of money, confidence is not to be restored by further increasing the aggregate of an already sufficient stock of currency.

While there is truth in the belief that the aggregate available quantity of money should not be too greatly diminished, yet this has little to do with the occurrence of business difficulties.

The public too is becoming more and more aware of the real usefulness of banks. Except among those who are agitators or their dupes, the old prejudice against banks is showing signs of dying out. This financial education of the people will in the end surely show its effects in a change of tone in the minds of their representatives in Congress, and there are already signs that the members of the House are becoming more favorable to some legislation that will restore the banks of the country to their fullest usefulness.

There is moreover something due to the banks and the public that support and use them, on account of the taxes which have been imposed. The proposition to tax the deposits was rejected in the Senate, but by the war revenue bill a tax is imposed on capital and surplus, and a stamp duty on checks, drafts and certificates of deposit and inland bills of exchange. The only banks exempted from a tax on their surplus are Savings banks without capital. Part of the tax is on the stockholders of banks and part on their depositors and other customers.

It is right therefore that when taxing these great interests, Congress should put them in as good a condition as possible to bear the burden imposed. This argument seems to hold good at least as a reply to those who oppose the banking bill pending in the House because it seems to grant privileges to the banks.

The main argument for the passage of the McCleary bill is in the benefit which it will confer on the general financial interests of the country. These benefits were set forth in a series of resolutions presented by the Editor of the Magazine before the Convention of Group VI of the New York State Bankers' Association on June 4. In substance these resolutions cited the danger to the gold standard by the intervention of the Government in the business of commercial banking by undertaking to provide the paper currency of the country, and in causing alternate stringency and expansion in the money market tending to cause financial convulsions. They also referred to the restriction placed upon the development of many sections of the country and the expansion of credit, to the raising of interest charges as caused by the lack of a proper bank-note currency, and to the result of these restrictions in political discontent and the desire for the entire subversion of a banking system so imperfectly developed. The resolutions further endorsed the McCLEARY bill now before Congress as calculated to remedy these evils and place the banking system of the country under suitable safeguards in a way to benefit the general public. The resolutions concluded by approving, in the name of Group VI of the New York State Bankers' Association, the passage of the bill.

These reasons are the real ones why the bill should be passed, and any opposition because of supposed privileges conferred on the banks is entirely paltry. The banks are the servants of the Government and the people alike, and there is no time when they can be of greater service to both than in a period when the resources of the country are to be called on for sustaining the expense of a war. The war itself will no doubt last much longer than was at first supposed, but with a restoration of peace with Spain will not come any very great cessation of expense. The nature of this war, which has to be carried on at great distances, and the need of peculiar care in preparation, necessitate considerable lapse of time before decisive results can be obtained. The chance is very great, even if Spain shall yield, that the work of civilizing and governing acquired territory will be a protracted one. At least as many months will be required to bring home our armies as it will take to send them to make distant conquests. In any event the expenses of the Government will be largely increased for a long time to come. To bear these expenses with the greatest ease ought to be the study of all those who have the legislative direction of the public finances.

In nations abroad by no means as strong in material resources as the United States we see how these resources are made available by means of great banking institutions. Germany, France, England, Spain, Italy all have their great banks which act as the intermediaries between the Government and the people, extending mutual benefits to both.

The banking system of the United States should stand in relation to the Government as the Bank of England stands to the British Government or the Bank of France to the Government of that country. This it can do when proper banking legislation restores their full and appropriate powers to the banks of the country.

In 1861 Secretary CHASE recognized the great possibilities of the usefulness of a banking system, and made the recommendations to

Congress from which the National banking system was finally evolved. It needed the pressure of the Civil War to do away with the banking imperfections then existing. It is to be hoped that a similar good may come from the pressure of the war now going on. May it relieve our banks from their disabilities and place them in their true position as the conservers of the resources of the nation.

THE TAXATION OF BANKS under the war revenue bill, while not reaching the degree of injustice to the business of the country that would have been entailed by the proposed tax on deposits, will be fully appreciated by all the business public. The tax on capital and surplus will affect the stockholders of the banks, but the stamp tax on checks and drafts and certificates of deposit will make the depositors and all other bank customers fully realize that a war is going on. The two cent tax on every check will tend to considerable annoyance before the public becomes accustomed to it. Those who are old enough to recollect the former stamp taxes will recall the little delays and annoyances entailed by the necessity of having a stamp on every check. Bank tellers and other officials will find their labors considerably increased by the watch to be kept to see that all checks and other documents are properly stamped and the checks cancelled.

The examiners of National banks in former times were required to watch these stamping operations and see that every bank properly required stamps on all checks presented for payment and saw to it that they were properly cancelled. In the case of the National banks internal revenue officers attempted to make such examinations, but the banks protested that they were by law protected from any visitations except those of the bank examiners, and this was at length decided to be the case. State banks and private bankers were, however, called upon by the internal revenue officials.

Heretofore a pleasing sense of freedom has been realized in the United States in the power to do ordinary business without being interfered with; but now every check drawn will remind one of the existence of the Government.

When a person is in perfect health he is not aware of the existence of his heart, lungs, stomach or other internal organs. It is the slight twinge of pain that causes them to betray their existence, and reminds the possessor that he is mortal. The check stamp will remind many that our Government, which we thought the most of when it never troubled us, has in some points a resemblance to those effete and decaying despotisms said to exist in Europe.

But all these things will be cheerfully borne for the honor and glory of the nation.

It is possible, however, that the check stamp may have some effect in diminishing the use of checks by making them less convenient. This would call for a larger use of ready money by the public, and may have an effect upon the reserves which the banks find it necessary to keep.

So far the banks are better off than they were during and for some time subsequent to the Civil War. They are exempt from the tax on deposits and dividends which was then collected. In 1865 the taxes paid on dividends and additions to surplus amounted to nearly four millions of dollars and those on deposits to over two millions.

ANOTHER SPECULATIVE COLLAPSE almost coincident with the defeat of the schemes of JOSEPH LEITER, the great boomer of the wheat market, is the failure of ERNEST TERAH HOOLEY, who for a number of years has been famous as a promoter of bicycle and land companies in England—the hunters' paradise of the ambitious promoter. All the surplus money of the world flows to London and is ready to take up and advance any speculative scheme so presented as to win confidence.

In 1896 HOOLEY promoted the Dunlap Tire Company and was reputed to have cleared $12,500,000. He afterwards promoted other companies. He has recently attempted a Chinese and Spanish loan, both unsuccessfully. The capitals of the companies in which he was interested aggregated over $60,000,000, and the shares of these companies have depreciated over forty per cent. Mr. HOOLEY claims that he has been attacked and blackmailed by the press.

The business of promoting enterprises that will not run of themselves is evidently an expensive one. The successful promoter must necessarily be extravagant to keep up the appearance of wealth and insure the confidence of the moneyed public, and yet he is always in danger of overdoing it. If not lavish and maintaining an air of unconquerable confidence, his clients desert him; and yet by this attitude of possessing boundless wealth he attracts to himself all the dangerous parasites who spy out his weaknesses to prey upon them.

Mr. HOOLEY bought yachts and race horses, among the former the Britannia, the famous racing cutter of the Prince of Wales. He also purchased a number of historic country seats, and very lately, as a still more conspicuous and attractive method of directing public attention to himself, he presented a gold communion service of great magnificence to the authorities of St. Paul's Cathedral. This last move seems to have shocked the minds of the public and to have had a bad effect. All of these acts of seeming extravagance were of course a part of the business in which he was engaged, but it also seems inevitable that this extravagant liberality must increase in a geometrical ratio while the business induced hardly gains with equal pace.

The country seats and the yachts and other paraphernalia of display were for the entertainment of the moneyed crowd from whom the promoter expected the capital for his schemes, and were to supply the influences by whose means the moneyed crowd were to be mellowed and softened to the investment point. Undoubtedly, too, Mr. HOOLEY dealt with the members of the press, and there are always those who are sharp enough to detect the first signs of weakness and profit by it.

The underlying principle on which honest promoting rests is that without an expert intermediary the owner of an invention or mine cannot bring the merits of his goods rightly before the investing public. As long as the promoter confines himself to explaining the real merits of the subject in hand, and using such means as will attract customers, he is within the lines of safety. But when he goes beyond the truth in his representations, or expends more than the whole thing is worth in attracting customers, failure in the end is certain. The temptation to do both is enormous, and many have questioned whether there was ever a promoter who never overstepped the narrow line which divides the truth from misrepresentation. There have always been two ways of selling things ; one was to display your goods, and after sufficient announcement of the nature of your business, sit down and patiently wait for customers. This method, assisted by judicious advertisement, generally secures success in the long run. In this class of business it is necessary to have something to sell which long experience has shown the public will sooner or later want to buy. Most all established businesses are of this kind. They each have their legitimate way of letting customers know they are there. "Good wine needs no bush," is an old adage; and sound goods need very little promoting. But in modern times when every business seeks to conduct itself on a large scale by means of corporate capital, especially in an old country, the trades and manufactories before conducted by individuals come through the means of the promoter to be conducted by corporations and syndicates. Here the legitimate province of the promoter is evident. It is to properly prepare the accounts of the concern, show what is its field of business, and profits, and how these are likely to be affected by a larger management.

But there is another class of objects of profit which have no previous history and whose future is therefore very difficult to foretell. Here the promoter has a wider and less clearly defined field. In fact many of the representations that are afterwards set down as false are really the honest beliefs of the self-deceived advocate biassed, no doubt, by his own hope of gain. He is often so sure of the truth of his statements that subsequent proof of their exaggeration is more a surprise to him than to any one else. New inventions, mines and land companies, such as HOOLEY promoted, are of this class. The public, too, having once given confidence to a promoter of this kind on account of one success, almost forces him on into new fields. They think he is a Midas who can turn everything he touches into gold. It is difficult, too, for a promoter not to attain an exaggerated confidence in himself when he see others so confidingly trust him. When misfortune comes these followers lay all the blame on the promoter, though much of it fairly may be ascribed to their own greed of gain.

AN INTERNATIONAL AMERICAN BANK is provided for in a bill which passed the Senate on June 17. The bank is to have its main office in Washington or New York, with one branch in Mexico, one in the West Indies and two in South America, and it may have eight other branches in the United States, and as many as desired in Mexico, the West Indies and Central and South America. The capital is to be not less than $5,000,000. The charter of the bank is to run for fifty years. No monopoly is granted by the bill, and a bank of the character proposed may be organized by any body of citizens who comply with the provisions of the law.

It is expected that the large capital of the institution and its organization under authority of United States laws will give the bank a certain prestige, though the opinion was freely expressed during the debate in the Senate that the existing banks could easily provide all the banking facilities necessary in international trade transactions. The authority given to establish branches in the United States and other countries is an important concession. It is believed that the bill will pass the House, where it is pending at this writing.

A DECISION OF INTEREST to trust companies by the Supreme Court of Missouri in the recent case of State *vs.* The Trust Companies will be found in the Law Department of this number. By this decision the trust companies were ousted from "exercising the right, liberty, or franchise of receiving money on general deposit, payable on demand on the depositor's demand or sight draft, without allowing any interest thereon." The effect of this decision is to permit them to receive deposits where such interest is allowed; and as no rate of interest, or the rate which they must pay, is fixed by law, it will require no great ingenuity to avoid the effect of this decision. The interest may become as much a legal fiction as is a "meal" under a liquor tax law.

SUCCESS OF THE WAR LOAN.

The success of the new Government loan seems more than assured. Secretary Gage, in anticipation of the passage of the loan feature of the war revenue bill, had made every preparation for at once placing the loan before the people of the United States, and as soon as the bill became a law circulars were ready to be sent to all banks and banking offices, express offices, money order post offices and all places where inquiry was liable to be made.

The law provides that the smallest subscriptions shall be first allotted and thus continue until the largest are reached. Some subscriptions were received before the passage of the law, but the regular date for receipt was fixed for June 12. Allotments are to be made July 14, after which date no more subscriptions will be received. About four million circulars and subscription blanks were distributed. The limit of small subscriptions is fixed at $500, and it is believed that the whole $200,000,000 offered may be much more than taken up by subscriptions within this limitation.

The offer of three per cent. bonds at par to the general public in the present condition of Government credit, as indicated by the prices of bonds of the old issues on the market, can hardly fail of success, inasmuch as it is highly probable that the new bonds will at once command a premium, which will be a bonus to all purchasers.

It is a work of supererogation to say that a popular loan is a popular thing, not only with investors but with politicians; but it is a rather difficult question to decide whether such method of placing the loan is in a strictly monetary sense as advantageous to the Treasury as would be the offering of the loan to the highest bidder.

A comparison of the various conditions surrounding the three per cent. bonds now offered with the going prices of the old issues shows that the new bonds will command some premium, and some think this premium may go as high as 107. The bonds are payable at the option of the Government in ten years and have twenty years to run. With the outlook as to the future the probabilities seem to favor the opinion that the bonds will run very nearly their full time.

However much patriotism may be talked of in connection with any loan, it may be safely affirmed that self-interest has always at least a reasonable share in making the loan successful.

Assuming that when the bonds are finally allotted that the fortunate ones whose subscriptions are accepted find their bonds at once command a premium of from one to five per cent., it would then appear at first sight that if this is the market rate, and if instead of offering a popular loan at par the Government had offered the whole loan to the highest bidder, that this premium would have gone into the Treasury instead of into the pockets of the subscribers. If this premium should turn out to be, say, two per cent., the amount lost to the Government—or rather, perhaps, paid as a bonus to float the loan—would on the whole $200,000,000 amount to $4,000,000; if to five per cent., this bonus would be $10,000,000. But there are of course other considerations. There is the risk that before the bonds are allotted, or before the subscribers can dispose of their certificates, some check may be received by our army or navy which may send the bonds below par. But this is extremely improbable.

If the Government had offered the whole loan to the highest bidder these bidders would have been actuated by the same hope of profit which now actuates subscribers. They would not have bid more than they thought would still leave some chances for realizing a margin above their bids. The fact that a loan goes into the hands of small subscribers does not indicate that these subscribers will continue to hold the bonds. Supposing them all to be *bona fide* subscribers with their own money—the bonds, to be effectively used hereafter in financial operations which apart from the annual interest make such bonds valuable as securities, must be aggregated in considerable amounts. It is undoubtedly the sum which the final holders of the bonds are willing to pay to collect them in workable aggregates which goes to increase the premium upon them in the first hands. For instance, these bonds will be desirable as a basis for bank circulation, or to Savings banks and other trusts as a safe investment for trust funds. Once in the hands of small holders the banks will probably be willing to pay more for them than they would have originally bid had the loan been offered to the highest bidder. But by a popular loan of this kind the Government receives only par, besides being subjected to the greater expense and inconvenience of doing so much work in detail. Nor is it at all sure that the so-called popular feature, which is supposed to give small subscribers a better chance than large capitalists, has much effect in shutting out the large capitalists after all. It puts them to a little more trouble. No doubt the Treasury takes every precaution to ascertain that every small subscriber is *bona fide* investing his own money.

When the four per cent. refunding certificates were issued in 1879 the regulations permitted any one person to subscribe to the amount of $100 at the sub-Treasuries. There was the same belief that the certificates sold at par would go to a premium, and long lines of subscribers besieged the sub-Treasuries and Treasury of the United States. It was a notorious fact that a very large proportion of these subscribers were persons hired by capitalists and furnished with money to act the part, for which service they received a small sum. In fact it is utterly impossible to prevent this sort of thing without employing a system of scrutiny that might spoil the whole loan.

Politically, and perhaps on higher grounds of public policy, a popular loan may be defended, but it cannot on the ground of economy to the Government. For if the loan goes to a premium in the market, as is now assuredly the public anticipation, it is absolutely certain that the Treasury might, by offering the loan to the highest bidder, have had at least a portion of this premium as an increment to its receipts.

But on the other hand a popular loan disarms the criticism which in a republican form of government is sure to assail the powers that be if they seem to make a distinction in favor of what is called capital. If the loan had been offered to the highest bidder and the Treasury realized 102, or say $204,000,000 for the whole loan, the Treasury would have received $4,000,000 more than it will now at par. But assuming that the bonds afterwards rose to 105, which would give the bidders a profit of $6,000,000, a handle would be given for endless attack on an Administration which played into the hands of greedy capitalists. Now if under present circumstances the bonds go to 105, the subscribers will make $10,000,000 and the Government nothing; but the popular appetite for future loans will be increased and it cannot be said that every citizen had not an equal share of the good fortune which falls like dew from government.

On the ground of paving the way for future loans and for making the people acquainted with the *minutiæ* and *rationale* of United States loans the popular loan as an institution can be defended on high grounds of public policy. Still it is not necessary to be blind to the fact that there is in reality a price paid for these advantages such as they may be esteemed. But anything that tends to break down the senseless idea that capitalists are a class by themselves, segregated from the general population, is a good thing. Those who delight to place the people on one side and capitalists on the other, as if they were the sheep and the goats, will find it difficult to reconcile this idea with the fact that a very large number of the people are capitalists, and that whatever the amount of their capital they act all alike—with a due regard to their own interests.

THE AMERICAN BANKERS' ASSOCIATION.—Elsewhere in this number of the MAGAZINE will be found a suggestive paper on "The Larger American Bankers' Association," written by a progressive member of that organization.

A strong plea is made for more energetic work, particularly in the matter of banking education for young men. There is no doubt that facilities of this kind are now sadly lacking in this country.

In Scotland—where the science of banking has reached the highest perfection—work of this character has been carried on successfully by the Institute of Bankers, a society whose objects are almost entirely educational in their nature.

Candidates for membership are required to pass an examination in geography, algebra, arithmetic and English composition ; also in political economy, stocks and stock exchange transactions, history aud principles of banking and currency, theory and practice of foreign exchanges, principles of conveyancing, practical banking, mercantile law and the law of bills, checks and receipts.

We do not know whether it would be feasible for the American Bankers' Association to undertake a scheme of educational work upon so extensive a scale as that carried on by the Scotch Institute, but the results attained in that country indicate that much good would result from such auxiliary work.

As the writer of the paper suggests, a great deal has been said about the necessity of educating the public to a proper appreciation of banks—which is true enough—but there is also need of much educational work among bankers and those who wish to become such.

It would seem that there are no insurmountable obstacles to the introduction of new ideas into the American Bankers' Association. Plainly the association cannot stand still ; it must either advance or decline, and the hints contained in the paper referred to will point the way to avoid the latter course. As the association has done and is doing much to promote the banking interests of the country, it may be confidently predicted that the Denver convention will mark the beginning of a year of still greater usefulness.

FOREIGN BANKING AND FINANCE.

The Growth of Capital in Germany.

Recent events in the German money market indicate a tendency to the same great accumulation of surplus capital which has so depressed interest rates on gilt-edged securities in Paris and London. Much German money is being employed in the purchase of foreign loans. Russian Government bonds have recently been a favorite, and a letter in "*L'Economiste Européen*" of May 27 declares that the withdrawal of the French from those investments has been marked by German subscriptions at low rates. It is declared that within the past two years Germany has sent to Russia more than 800,000,000 marks ($200,000,000) of her capital, but that French investments are comparatively neglected. The increase of the capital of the great banks, including the Imperial Bank, is under serious discussion. The higher financial world of Berlin has recently obtained a strong footing in Vienna and Buda-Pesth and is beginning to feel that existing banking resources at home are insufficient for the leading part which Berlin is destined to play upon international markets. The ambition to rival the great British and French houses is occupying the minds of German financiers and Berlin is already becoming a large market for the issue of new securities. Scarcely a day passes that does not witness the issue of shares for a new industrial enterprise or for an old one which is enlarging its capital. Russian railway shares as well as Government securities are being largely taken, and one of the recent demands for capital came from the North German Lloyd line, which has made a loan of 20,000,000 marks through a syndicate of Berlin banks.

An evidence of this activity is the fact that the stamp tax on securities, which paid 981,094 marks in the single month of March, 1897, paid 2,008,669 marks in March, 1898.

The Austrians are beginning to be somewhat disquieted by the predominance of German capital at Vienna. A Hungarian three-and-a-half per cent. loan recently issued for railway construction and the consolidation of the floating debt is being kept at home as far as Austrian financial means permit, and it is being pointed out, as an evidence of German predominance, that German coins are becoming common in certain parts of the Empire, as was formerly the case with Russian coins in the countries of Eastern Europe. The just completed returns of manufacturing and commercial industry in Germany for 1895 show that, while the number of establishments has increased only from 3,005,457 in 1882 to 3,144,977 in 1895, the number of hands employed has increased from 7,340,786 to 10,269,269—an increase of thirty-nine per cent. in thirteen years. The number of establishments employing more than fifty-one hands has increased from 9,974 to 18,955 and their employees from 1,613,247 to 3,044,343.

The condition of activity in the Berlin money market is not considered altogether healthful by many observers. The legislation against dealing in futures and for the regulation of the stock market has had a tendency to increase the influence and power of the big joint-stock banks and to give them a monopoly against which even good second-class banks cannot compete. These large concerns have been making money rapidly of late, partly by the issue of new securities. A recent tabulation by the "*Deutsche Oekonomist*" puts the issues of loans for 1897 at 1,961,000,000 marks ($480,000,000) as compared with 1,896,000,000 marks in 1896 and 1,375,000,000 marks in 1895. During 1897 several hundreds of millions of marks were invested in foreign loans, in addition to the Russian loan which is now before the public. These large calls for capital have resulted in weakening the position of the Imperial Bank, so that the metal stock is low, the note circulation is high, and investments are unusually large. The Berlin correspondent of the London "Economist," in the issue of June 11, discusses as follows the present condition of the market:

"If affairs were such as to make money abundant and cheap, in their natural course, everything would be all right. But the drift of things is to create what might be called an artificial market, so as to encourage the operators and the public to go on buying shares even at extravagantly inflated prices. This means an encouragement to gambling, and must necessarily produce that evil. Much advantage is also drawn here from the easy state of the money market in London. As rates are so much higher here than they are in London and Paris, of course money is attracted. Both French and English parties should take warning. Probably most of that foreign money is lent to the joint-stock banks. The joint-stock banks, in their turn, employ this money in lending it to their customers who operate in stocks. They obtain high rates, but supposing any catastrophe to happen, their losses would not be small. In any case, these proceedings mean fostering gambling. It would be prudent policy on the part of London and Paris themselves to take charge of their capital. Within a few weeks we must expect higher rates here, and perhaps a squeeze for money. There is, of course, a temptation to profit by this, but the risks are also evident. The close of June and beginning of July are watched for with a certain anxiety."

Monetary Reform in Brazil.

The new President of the Brazilian Republic, Mr. Campos Salles, is making an earnest effort to restore sane financial conditions in that country. He is a financier of high standing and a man of honesty and energy. He declared in his electoral programme that the financial question was the predominant and vital one and that no one should seek to attain power through the door of the financial dishonor of the Republic. He has visited London and Paris since his election with a view to informing financiers in Europe of the substantial prosperity of Brazil and of his plans for restoring her finances to a sound basis. The problem before him is a difficult one, because of the large issues of Government paper money and the steady fall in exchange during the last three years. The present unit of value in Brazil is the milreis, nominally worth in gold 54.6 cents in United States currency, but the actual exchange quotation of which on May 14, 1898, was 5.75 pence, or less than twelve cents.

The cause of this remarkable depreciation in Brazilian currency is both the excess of the paper issues and the deficit in the Treasury accounts. A deficit of about 40,000,000 milreis was indicated by the estimates for 1898, and exchange has been steadily falling since the beginning of the year.

The new President proposes as his programme the gradual redemption of the paper money, greater rigidity in the collection of revenue, the remission to the States of some of the local expenses now assumed by the Federal Government, the abandonment of prohibitory tariff rates, the reduction of expenses and the importation of foreign capital. The essential object to be attained in regard to the foreign debt is the restoration of exchange to twelve pence to the milreis, where it stood in 1892. This would reduce the deficit by reducing the amount required to pay gold interest abroad. Foreign loans were utilized during the years from 1892 to 1896 in covering annual deficits, the banks were forced to lend their deposits to the Government, and when this resource failed the issues of Government paper money were expanded. The total Government circulation was computed on December 31, 1895, at 337,351,000 milreis and the bank circulation was 340,714,000 milreis, making a total of 678,065,000 milreis, or about $340,000,000 at the old nominal exchange, but only $75,000,000 at present exchange rates. The Government made a net increase in the circulation during 1896 of 34,290,000 milreis, carrying the total of Government paper money to 371,641,000 milreis at the close of that year. The Government in 1897 took away from the banks the power of note issue and assumed responsibility for their circulation. The total Government circulation thus became 712,355,000 milreis, but Brazilian finances are in such confusion that many economists regard these figures as below the mark and compute an actual paper circulation of 780,000,000 milreis.

Exchange is in such a condition that it has become a subject of speculation and changes from day to day. Careful financiers do not believe it possible to restore the milreis to the old gold parity, but they believe that a readjustment of the paper money indebtedness might be made by calling in the old issues and substituting an amount of redeemable currency equal to the exchange value of the present mass of paper at the rate of twelve pence. If the old gold unit were retained, the amount of paper left in circulation would be about 350,000,000 milreis, which might eventually be restored to the old parity.

Success of the Greek Loan.

A striking proof of the surplus of available capital in Europe and the low returns prevailing there upon first-class securities is afforded by the heavy subscriptions for the Greek loan, which is guaranteed by the three great powers of France, Great Britain and Russia. The greatest success of the loan was in France, and many English investors made their subscriptions through Paris because of a difference in exchange rates at which the loan was offered in the two countries. Even in England, however, the subscriptions were nearly double the amount offered, so that the allotment will be in the proportion of fifty-four per cent. upon the amounts subscribed for. The aggregate of the loan is 155,000,000 francs ($30,000,000) and offers of a portion were made at Berlin as well as at other capitals. The amount offered at Paris was 41,500,000 francs, in 16,600 shares of 2,500 francs each, and the rate was 100.50 francs for a two-and-a-half per cent. bond. Subscribers were required to make a deposit of one-fifth of the face value of the bonds in making their subscriptions. The amount required, if subscriptions had exactly covered the value of the securities, would have been 8,300,000 francs ($1,650,000), but the actual deposits by would-be subscribers at the Bank of France were 196,579,000 francs ($39,000,000). These deposits represented subscriptions of 987,809,475 francs ($195,000,000), or more than twenty-three times the amount offered. There were 1,107 subscribers for a single bond each, and 280 subscriptions covering 392,051 securities. The basis of allotment decided upon was one bond for subscriptions running from one to twenty, two bonds for subscriptions running from twenty-one to forty, three for those running from forty-one to sixty, and four bonds for those running from sixty-one to 114. Those subscribing for 115 obligations or more received 3.92 per cent. of the amount subscribed. The preliminary deposits in many cases more than covered the entire amount allotted to the subscriber, and the Bank of France announced the restitution of ninety per cent. of the deposits from and after May 11. The subscriptions to the loan at Berlin were also large.

The action of the powers in coming to the aid of Greece in respect to the war indemity has also had a most beneficial influence upon credit at home. Prof. Paul Leroy-Beaulieu, the eminent editor of "*L'Economiste Français*," says, in the issue of that paper for May 7:

"Consider the case of Greece. The gold premium, which was eighty-five per cent. a few months ago, is only from forty-five to fifty per cent. Why? Properly speaking, the circulation of forced legal-tender paper has hardly diminished, but, thanks to the intervention of the powers and the control established over Greek finances, the opinion has gained ground at home and abroad that the volume of paper money will not be increased and that it will be gradually diminished. The fall of the gold premium is the result of this conviction. It even anticipates the withdrawal of the paper, and those who hold it are less eager to get rid of it. Some may even seek it and preserve it in the hope that it will be worth more in the future than at present. The fall of the gold premium and the resulting rise of value in the paper money are the results of a favorable opinion of Greek finances and of the general belief that these finances are to be improved and the paper money little by little reduced."

The South African Banks.

The South African banks have been subjected during the past year or more to considerable pressure as the result of diminished trade and heavy demands from their clients for the purpose of weathering the unfavorable period. President Kruger of the South African Republic has even intimated that the banks were pressing their small debtors too hard and that the Government might authorize the withdrawal of their licenses. It is claimed that he has a precedent in the withdrawal of the license of the Standard Bank by the Government of the Orange Free State in 1866 for similar reasons.

The dullness in trade, due to political anxieties, has caused fresh capital to be withheld from the South African countries and resulted in the export of specie last year to the amount of £2,100,000. The five leading banks showed an increase of profits during 1897, however, amounting to £40,213, the profits for the year being £476,613. The combined accounts of the banks show a decline from £38,386,196 in total liabilities at the close of 1896 to £33,834,847 at the close of 1897. The whole loss fell upon current accounts, which were £28,179,671 at the close of 1896 and £23,162,885 at the close of 1897. In spite of this weakening of popular support, and the reduction of cash from £14,-165,289 to £7,469,370, the banks increased their loans to customers from £11,661,335 to £14,412,128. The decline in deposits was chiefly in the Transvaal, where the amount fell from £10,659,019 to £7,926,894. The loans in the Transvaal by the five banks were increased from £4,562,190 to £5,678,388.

The London "Economist" does not share the opinion of President Kruger regarding the disposition of the banks to do the utmost possible for their customers, and points out that their reserves in England have been reduced to the lowest possible figures consistent with safety. For example, a year ago the Standard Bank had on "deposit with bankers and loans on securities at short notice," no less than £3,448,000, while in the balance-sheet recently issued this item has disappeared altogether. Regarding the future of capital and banking in South Africa, the "Economist" declares, in the issue of May 14:

"Capital has practically ceased to flow to South Africa, and not only have merchants to face a diminished trade, but they have also to pay more heavily for the accommodation extended to them by the banks for the negotiation of their bills—the present rates being the highest charged during the past ten years at least. These heavy rates will continue until capital once more commences to flow freely to the Cape. When this desired change will take place no one can tell; recent rumors of impending concessions in the Transvaal have made some hope that it will soon be here, though a recollection of the many disappointments of the past raises doubts as to the possibility of their being verified. As things are at present, the balance of trade against South Africa cannot continue indefinitely. The time must come when it can no longer buy as largely as heretofore unless capital is attracted to it. Should the situation in the Transvaal not be soon ameliorated, the banks will be certain to feel acutely the reduction in the general trade of South Africa."

The Bank of the Netherlands.

The Statistical Annual of the Netherlands for 1896 has just been issued by the Dutch Government. Details of the operations of the Bank of the Netherlands since 1870 are brought down to the close of the banking year on March 31, 1897.

The total monetary circulation of the Netherlands, exclusive of the metallic reserve of the Bank, is computed at 302,657,000 florins on January 1, 1897, of which 207,856,000 florins was in bank notes, 14,678,000 florins in Government notes, 22,992,000 florins in gold, and 57,131,000 florins in silver. The gold in circulation has been nearly stationary for the last eight years, while the silver circulation has slightly declined. The policy of the Bank of the Netherlands for maintaining the parity of its notes with gold is to furnish gold freely for export. This gives interest to the following table, showing the exchanges of notes for specie, notes for each other, and specie for notes since 1870:

YEAR ENDING MARCH 31.	*Specie paid for notes.*	*Notes exchanged for notes.*	*Notes given for specie.*
	Florins.	Florins.	Florins.
1870	29,394,405	117,675,500	20,498,810
1875	34,098,655	138,899,745	27,695,070
1880	42,460,765	159,309,985	32,254,525
1885	51,657,925	187,789,235	35,714,565
1890	56,338,280	205,641,415	37,843,825
1891	64,614,170	211,155,995	44,347,115
1892	69,677,580	226,363,760	49,236,560
1893	68,984,915	234,061,495	50,499,990
1894	74,497,060	240,160,495	49,882,765
1895	71,856,675	248,703,285	53,458,120
1896	82,228,610	260,845,400	56,699,240
1897	86,358,645	2[illegible]5,278,125	61,617,365

The excess of specie redemptions over the return of specie to the Bank for notes indicates the amount which the Bank has been compelled to invest in the purchase of gold in order to maintain parity. The monetary situation in the Netherlands has several times excited grave anxiety, but the authority given for the sale of silver coin as bullion by the law of 1884 has enabled the

Government and the Bank to maintain the gold standard, in spite of the large volume of silver money in circulation. The volume of transactions of the Bank upon the average for various series of years ending with March 31, is shown in the following table:

PERIOD.	*Discounts.**	*Advances on securities.**	*Notes in circulation.**	*Current deposit accounts.**
1864-1869	45.00	31.10	116.23	30.61
1869-1874	56.77	34.84	154.70	29.72
1874-1879	60.47	40.27	186.82	36.35
1879-1884	51.62	41.38	190.42	14.85
1884-1889	39.62	41.45	199.02	19.05
1889-1894	61.58	42.42	202.21	11.50
1895	53.02	37.29	205.87	5.87
1896	55.48	43.29	209.00	6.30
1897	58.33	47.74	201.34	4.78

* In millions of florins.

Difficulties of the Bank of Spain.

The appeals made by the Spanish Government to the Bank of Spain for the purpose of obtaining resources for the war with the United States are having a disastrous effect upon the entire Spanish financial system. The Bank, by means of its connection with business operations, has been able to maintain its notes much better than the Treasury could have done by direct issues of Government paper, but the advances by the Bank to the Treasury have been so heavy, resulting in such a predominance of Government securities over business paper, that the Bank is becoming in substance, if not in form, a mere branch of the Treasury, and is able to lean no longer upon the combined commercial resources of the country. The suspension of gold payments became necessary several years ago, but the notes of the Bank remained for a long time only about twenty per cent. below par. The Bank in the meantime held itself ready to redeem its notes in silver coin, but such redemption was not demanded, in view of the much greater value of the bank paper, and both the gold and silver reserves remained substantially unimpaired. The proposition that the limit of circulation be increased has thoroughly alarmed the public and has led to the conviction that even depreciated silver might be worth more than the notes of the Bank. Notes have been presented for redemption in silver in large amounts since the first of May, and the silver reserve fell from 218,200,000 pesetas ($43,000,000) on April 23 to 105,700,000 pesetas ($21,000,000) on June 11. The Government has endeavored to meet the difficulty by prohibiting the export of silver, upon the remarkable ground that it was being exported to countries where it passed at its face value. Unfortunately, as is remarked by "*L'Economiste Européen*," in the issue of June 3, "no such places exist and no one dreams of exporting Spanish money. The truth is much simpler and nearer earth. In the existing state of exchange, the public no longer feels confidence in the notes, and the holders prefer silver depreciated by fifty-five per cent. to paper which may fall to zero."

The silver obtained for bank notes is apparently being hoarded and it is becoming difficult to exchange a note of twenty-five pesetas ($5) because there is no money in circulation between such notes and the token silver coins of one and two pesetas (twenty and forty cents). The Government is coining silver largely in order to supply a medium of circulation, and has proposed a law permitting the coinage of 1,000,000 pesetas a day instead of 500,000. It is proposed to have the coinage executed at the Paris mint, if the domestic mints are unable to keep pace with the demand. The Bank is redeeming notes even in silver only up to the amount of 500 pesetas ($100) and shopkeepers are already declining to accept bank notes except at a small discount in silver. A domestic loan of 1,000,000,000 pesetas has been suggested, but the Government still adheres to the policy which is breaking down the Bank, of issuing Treasury bonds in return for increased note issues.

The Largest Check in the World.

The indemnity payments of the Chinese Government to Japan on account of the recent war were completed on Saturday, May 7, by the transfer of the largest check ever drawn in financial history. The amount was £11,008,857, 16s., 9d. ($55,000,000), and completed payments amounting to about £35,000,000 during the last two and a half years. The summary of these payments, as presented by the "Bankers' Magazine" of London, has been as follows:

October 31, 1895, in London, about	£8,000,000
November 16, 1895, in London, about	4,900,000
May 8, 1896, in London, about	4,000,000
May 7, 1896, in Berlin, about	4,000,000
May 8, 1897, in London, about	2,000,000
May 7, 1898, in Berlin, about	1,000,000
May 7, 1898, in London, about	11,000,000

These payments were effected by the drawing of a number of checks which, both separately and collectively, were of an unusual character. Larger payments have been effected before; for instance, a sum of £20,000,000 was paid over to Germany on July 14, 1871, for account of the French indemnity of five milliards, but not by the simple process of handing over a check. The check of £11,008,857, 16s., 9d., paid on May 7, was by far the biggest ever drawn upon the Bank of England. There were two checks of an exactly equal amount, one representing the transfer of the money from the Hong Kong and Shanghai Banking Corporation to China, and the other the payment by China to Japan. Neither of the chief representatives of China and Japan attended at the Bank. The Chinese Minister was indisposed, and the Japanese Minister consequently attended at the Japanese Consulate. The proceedings in the parlor of the Bank of England were nevertheless ceremonious. Besides the Governor, several of the directors, and the chief Cashier, Mr. H. G. Bowen, those in attendance included Sir Halliday Macartney, the English, and Mr. T. Y. Lo, the Chinese representative of the Chinese Legation in London; two Japanese secretaries, viz., Mr. Yenjiro Yamaza and Mr. Chozo Koike; and Mr. George H. Burnett, sub-Manager of the Hong Kong and Shanghai Banking Corporation. After a short speech by Sir Halliday Macartney, expressing the decision of the Chinese Government to pay up in full and at once the amount of the indemnity, instead of at the extended periods permitted by the Treaty of Shimoneseki, the check of the Hong Kong and Shanghai Bank, previously endorsed by the Chinese Minister, was handed over to the Bank authorities, then the other check drawn by the Chinese Minister to the order of the Japanese Minister was handed over to the representatives of Japan. This was subsequently taken to the Consulate and endorsed by His Excellency and by Mr. Y. Nakai, the Manager of the Yokohama Specie Bank in London, who holds a power of attorney for the Bank of Japan. The ceremony did not end here, however, for besides the endorsements of the checks a specially drawn up receipt of portentous dimensions, embodying the due recognition by Japan of the complete fulfillment of her obligations by China, had to be formally signed. There was then a general shaking of hands and salaams, and the interesting ceremony was concluded.

Banking in Australia.

Banking profits in Australia have been curtailed since the panic of 1893 and banking business has been considerably reduced. Comparisons of the condition of the banks on September 30 for the last three years shows a reduction of total liabilities from £171,660,791 in 1895 and £173,156,128 in 1896 to £166,951,237 in 1897. Capital has been reduced from £18,443,026 in 1895 to £16,332,029 in 1897, and deposits and other liabilities have been reduced from £122,194,240 to £119,626,516. The notes in circulation, never a large item, have increased from £3,775,505 to £4,125,022. On the side of assets, cash items fell during the three years from £32,540,474 to £31,426,105, but the greatest reduction was in discounts, loans and advances, which fell from £127,397,945 to £119,650,198. Australia has benefited by the fact that it is a gold-producing country, but this has not entirely effaced the effect of the locking-up of capital in agricultural loans prior to the panic of 1893. The "Australian Year Book," from which the figures are taken, says regarding the general banking situation in Australia:

"The difficulty of realizing securities is one of the drawbacks to the banking business during 1897 that we have mentioned. In some of the good agricultural districts there has been improvement in this matter, but squatting properties, and city suburban properties have alike been stagnant from the point of view of realization. Naturally enough, also, the banks in times like the present do not care to sell properties which yield a return sufficient to prevent absolute loss. But, on the other hand, there is almost no demand whatever for properties that yield nothing or next to nothing, and these are just the properties that the banks desire to get rid of. A succession of good seasons will, however, make squatting securities more marketable, while a return of population, or its steady growth, will once more put some value on city and suburban property.

Banking business has further had to face the altered conditions of trading. Far less credit is now given than formerly, and obligations are more regularly met. The demand for banking accommodation on any considerable scale does not therefore increase while the business offered is closely scrutinized. While the outlet for money continues to be curtailed in the direction of overdrafts, the close-credit terms largely diminish the volume of trade bills for discounts. There is nothing remarkable in all this, for one of the consequences of a financial crisis, such as that of 1893, is always a restriction of credit and discount business. The banks, however, feel the infliction, especially after the rapid rate at which they extended their transactions in the booming times."

The classification of the leading items of the bank accounts on September 30, 1897, by provinces, affords the following figures:

	Deposits.	*Advances.*	*Coin and Bullion.*
New South Wales	£29,565,484	£38,579,379	£5,928,670
Victoria	29,891,818	35,835,059	7,842,096
Queensland	12,464,692	14,141,705	2,050,707
South Australia	6,760,868	4,697,509	2,212,416
Western Australia	3,928,301	3,567,571	2,128,194
Tasmania	2,909,837	2,230,325	808,758
New Zealand	14,191,041	13,470,848	3,056,789

The Bourse Legislation in France.

The proposed reorganization of the Paris market for public securities continues to form the chief preoccupation of the French financial press, as the date of July 1, when the new measures are to be applied, is near at hand.

The Minister of Finance is receiving little support outside the corporation of privileged brokers in his campaign against the *coulisse*. The Minister's scheme of reform comprises the creation of ten or twenty new offices of *agents de change* to meet the expected increase of business that will result from the partial suppression of the *coulisse*, but the legislation on public bourses interdicts the creation of any new office without first consulting certain constituted authorities, among which is the Paris Chamber of Commerce. The question having been submitted to that body for examination the Chamber has drawn up a report in reply, and while approving of the proposed reduction in the rates of brokerage, contests the expediency of increasing the number of privileged brokers. The Chamber of Commerce doubts whether the business of which the *coulisse* would be deprived would be transferred naturally to the *agents de change*. The reply of the Chamber is a defence of the *coulisse* as absolutely necessary for the maintenance of the influence of the Paris market. It reminds the Minister that of the 33,000,000 francs produced by the bourse tax since it was established, 22,000,000 francs were contributed by the *coulisse*, and 11,000,000 francs only by the brokers.

A note of official origin, evidently referring to the objections of the Chamber of Commerce, has been communicated to the Government press. "It has been stated," says the note, "that difficulties have arisen in the execution of the vote concerning the Fleury-Ravarin amendment. There is no foundation for this statement. But as the public of the bourse are accustomed to despatch their business very rapidly, they are surprised that the decree giving effect to that vote has not yet been issued. The administrative inquiry is following its normal course, and no reasons exist for the decree not being published in due time, and for the law to reorganize the market not being applied as intended on July 1 next."

The Bank of England Discount Rate.

The Bank of England, where it was feared some weeks ago that a very high discount rate would be required to arrest the export of gold to the United States, was enabled on May 26 to reduce its rate to 3½ per cent. and on June 2 to three per cent. It appears, from the following discussion of the subject in the London "Economist" of May 28, that the action of the Bank was dictated in a measure by the cheapness of money among the joint-stock and private banks:

"In all probability it was rather from necessity than choice that the Bank directors decided on Thursday to reduce the official rate from four to three and one-half per cent., for although gold has been pouring into the Bank from abroad, upwards of seven and one-quarter millions having been received during the past six weeks, yet a still further addition to its stock would, in present circumstances, be advantageous. But having lost control of the market, the maintenance of the four per cent. rate could serve no good purpose, and the Bank had to follow, since it could no longer lead. The drop in the market rates during the week has been as much as one per cent., best three months' bills being now taken at two and one-quarter per cent. Even yet, therefore, the Bank rate is high above the market, and as there is now practically no foreign demand for gold, a further lowering of the official rate to three per cent. may be looked for in the course of the next week or two. There are those who are trying to look further ahead, and are speculating as to how long this abrupt change to comparative cheapness will last. The tone of the market would doubtless change very quickly if a demand for gold were to spring up for the United States or for India, and in view of the heavy indebtedness of Europe to the States for breadstuffs, and of possible Indian currency legislation, neither of these contingencies is to be ignored. But there is too much uncertainty in regard to both to admit of any sound opinion being formed as to the probable course of affairs, and it is idle to attempt to look more than a few weeks ahead."

Banking and Financial Notes.

—Egypt is to be endowed with a National bank of issue. It is announced from Cairo that negotiations are in progress for the creation of a bank having the privilege of issuing notes payable on demand, with a capital of 1,000,000 Egyptian pounds ($5,000,000). The note circulation will be guaranteed by a gold reserve to the amount of one-half, and the remainder by securities approved by the Egyptian Government. The new institution will be named The National Bank of Egypt, and official supervision will be exercised by the nomination of the Governor and verification of the accounts by the Government. Bank notes will be a novelty in Egypt, but are expected to circulate freely in view of the countenance given the bank by the Government, whose financial standing under the supervision of the great powers is unquestioned. The bank will afford great benefits to commerce in Egypt, for the existing banking system is inadequate to the needs of the country in view of the rapid development which is taking place under the stimulus of foreign and local capital. The shares of the bank will be issued at London, Paris, and Cairo.

—A measure of monetary reform has been adopted by the Portuguese Government in Mozambique by the substitution of Portuguese money of silver and notes for the East Indion rupees which have heretofore been in circulation. This operation, according to *L'Economiste Français* of May 28, is being carried out at the exchange rate of 4,500 reis to the pound sterling, with the result of producing a considerable importation of Portuguese silver and an exportation of the rupees. The rate of exchange adopted is above the real parity value of Portuguese money in gold, and will not invoke any importations of gold, but the desired object of giving the colonial currency a national character appears to have been accomplished.

—The announcement of a loan of 10,000,000 dinars by the Government of Servia from the National Bank has not caused any serious injury to the credit of the Government or the Bank. Servian *rentes*, which were quoted before the loan on March 21 at 61.70 francs on the Paris market, have fallen only to fifty-nine francs, while the gold premium has increased from 10.9 per cent. to 13.7 per cent. The gold reserve of the Bank stood on April 21 at 3,868,583 dinars ($770,000), the silver reserve at 9,057,950 dinars ($1,800,000), and gold exchange at 748,984 dinars ($145,000), making a total reserve of 13,675,518 dinars. The bank notes in circulation were 24,291,940 dinars ($4,800,000), of which 657,850 dinars were gold notes and 23,634,090 dinars were silver notes. The proportion of the reserve to the circulation, which was 59.9 per cent. on March 21, had been reduced only to 54.16 per cent. a month later.

C. A. C.

AN INTER-OCEANIC CANAL.

The difficulties of communicating by water between the Atlantic and Pacific coasts of the United States have been forcibly emphasized by the events of the war with Spain. When it was decided to bring the battleship Oregon from San Francisco to eastern waters it necessitated the long voyage around Cape Horn, a voyage of over fourteen thousand miles.

Now that the invasion of the Philippine Islands is likely to make that archipelago a dependency of this country, and the annexation of the Sandwich Islands seems to be a strong possibility, the necessity of having a quicker and less expensive method of communication between the Eastern and Western coasts is attracting great attention. The great continental railroads leave very little to be desired in regard to land transportation, but for dependencies in the Pacific Ocean the power of quick mobilization of fleets is extremely desirable.

The greater part of the ship-building facilities of the United States are in the East, and for years to come the greater part of an increased navy must be constructed in that section; but supposing that the facilities on the Pacific coast were in every way equal to those of the Atlantic, there may arise occasions when with possessions to care for and protect in both oceans, it will be extremely convenient if the Pacific fleet could be reinforced from the Atlantic, or *vice versa*. The only way of rendering this possible is by the construction of a canal between the two oceans at some of the points which have already been marked out by engineering skill.

There are several routes which have been the objects of scrutiny and two at least upon which work has been done. The Tehuantepec route has been proposed for a railway to carry ships across that isthmus, but no work has been accomplished in regard to it. The Panama Canal is known at present as one of the most stupendous failures of this era. The Darien route for a canal south of Panama has been surveyed, but no attempt has yet been made to complete a canal. The Nicaragua route remains as the one to which attention is being now most strongly directed. That there is a new effort being made to direct the attention of Congress to this place for an inter-oceanic ship canal is very evident.

It is obvious that for the reasons above adverted to some means of communication between the two oceans must be found which will obviate the necessity of compelling ships to take the long tedious voyage around Cape Horn, and therefore it is not difficult to foresee that the public mind can soon be readily moved in a direction favorable to some governmental effort towards the construction of an inter-oceanic ship canal.

At present certain rights over the Nicaragua route are claimed by a private company chartered by Congress in 1885, called the Maritime Canal Company. What rights they have were acquired from a syndicate called the Nicaragua Canal Association, to which the Nicaraguan Government granted a concession giving exclusive right to build and operate a canal across Nicaragua for a period of ninety-nine years. Some work was done under the auspices of the Maritime Canal Company, but of late years the efforts of that company have apparently been confined to bringing influences to bear on Congress to procure funds for building the canal through the guaranty or direct assistance of the United States.

Inter-oceanic canals, as has been shown by the success of the Suez Canal, alter the whole course of ocean navigation. They bring the distant parts of the world into closer communication.

Almost since the discovery of America the minds of men have given more or less attention to projects for cutting through the narrow portion of the Western Continent. It is easily admitted that were a suitable canal construc.ed, either at Panama or at Nicaragua, or at both points, the difficulty would be in accommodating the ships that would take that route to shorten their voyages.

The Panama Canal, although now under such clouds of entanglement financial and diplomatic as seem to render its completion impossible, will undoubtedly some day or other become an accomplished fact. It is a case where mismanagement seems to have done its worst and by the shock which has been given to these enterprises has done incalculable harm. But it should be taken as an example and its lessons should be of great aid to whatever government or private company shall undertake that or any other route. The failure of the private company which with almost boundless capital undertook to divide the Isthmus of Panama has, at least for this generation, made it impossible for a private company by ordinary commercial means to obtain the money to successfully attempt any other route. If either Nicaragua or Panama is to see a complete ship canal, within an ordinary lifetime, it will be by governmental assistance. Although the Suez Canal was undertaken and completed by a private company, yet much of the success of its construction was due to assistance received from the Egyptian Government. That Government at first granted concessions in land and forced labor, to be released from which it finally paid £3,800,000, or nearly $20,000,000, a sum equal to one-fifth of the cost of the whole construction. Nevertheless so great was the success of the Suez Canal, and the *eclat* won by De Lesseps, that when he proposed the Panama scheme the people of France were easily induced to invest their money in it. The sad mismanagement of this construction and the immense sums irretrievably lost, have frightened private capital as to inter-oceanic canals. Just as the success of Suez, by private capital, made Panama possible, so the failure of Panama has made Nicaragua impossible to private capital.

The Maritime Canal Company must have become thoroughly conscious of this fact as shown by the pertinacity with which they have been besieging the doors of Congress for a number of years. The company presents a number of good arguments why the canal should be built. They have shown laudable energy in presenting the merits of their plan and the necessity to the United States of an inter-oceanic canal, before the conventions of commercial and financial bodies and conventions of a political character. The American Bankers' Association endorsed the Nicaragua Canal at its convention held in San Francisco in 1892.

But the fallacy of the Maritime Company's argument consists in a *non sequitur*. It does not follow because there is a crying want for an inter-oceanic canal and because the Nicaragua route is a practical one, or because the people of the United States are willing to be taxed to build it, that therefore the Maritime Company should be subsidized by the Government for the purpose, or that the construction should be undertaken by any particular company.

It seems as if the two most desirable routes for an inter-oceanic canal between the Atlantic and Pacific Oceans have been blocked and rendered useless by the total or partial failures of those who have up to this time undertaken them. If for instance the United States Government and Nicaragua wished to complete a canal through the territory of the latter country, they find the Maritime Company in the way with its long brief of vested rights, of compensation for damages, actual and consequential, so that the buying off of the company may well prove almost as costly as constructing the canal. The Panama route is similarly covered by the debris of the former failure.

There is very little doubt that the Nicaragua route is a feasible one, perhaps more feasible than the Panama even if all titles to the latter could be cleared up and a sound abstract made. The objections made to it are very similar to those made to the Suez Canal before the latter was undertaken.

It seems, however, that under the concession which the Maritime Canal Company holds from the Nicaragua Government, that by transferring any of its rights so granted to governments or foreign public powers, the company would forfeit the grant. The mere fact of the appeal to Congress for money was a confession that the company was unable to obtain money by private subscription. The Nicaraguan Government seems to take this view of the matter, and in January, 1897, appealed to the United States Government to enter into an agreement under which the two governments could make a just arrangement by which the Maritime Company would renounce its concession and leave the road clear for the two governments to build the canal.

If the United States should undertake to complete the canal, either by subsidizing a private company or directly through its own officials and engineers, it is bound by the Clayton-Bulwer Treaty to maintain the complete neutrality of the route.

It is not difficult to see that the subject of an inter-oceanic ship canal will soon be again brought before Congress. The planks in the platforms of many State conventions of the Republican Party, recently promulgated, exhibit a wonderful unanimity in regard to the necessity of an inter-oceanic canal, and it looks as if organized effort to secure this desirable object were being made.

COINAGE OF GOLD.—The fact that the Director of the Mint has recently asked an appropriation of $250,000 to coin the gold bullion in the Treasury (which amounted to $97,000,000 on June 1) lends an interest to a contribution printed on another page in regard to increasing the circulation of gold coins. The writer calls attention to the predominance of the double-eagle in our gold coinage, and attributes the small circulation of gold coin partly to that fact, and he is also of the opinion that the exportation of gold is greatly facilitated by the minting of coins of large denominations.

Since the mint is to coin large amounts of gold in the next few months, it might be well to make the coins mostly of the smaller denominations, as this would undoubtedly promote their circulation. It seems strange that so obvious a proposition has been heretofore overlooked by the Treasury officials.

THE IMPERIAL BANK OF RUSSIA.

HISTORY OF THE BANK.

The Imperial Bank (whose charter was revised in 1894) was remodelled out of the former Commercial Bank, which in 1817 sprang from State credit institutions of the last century.

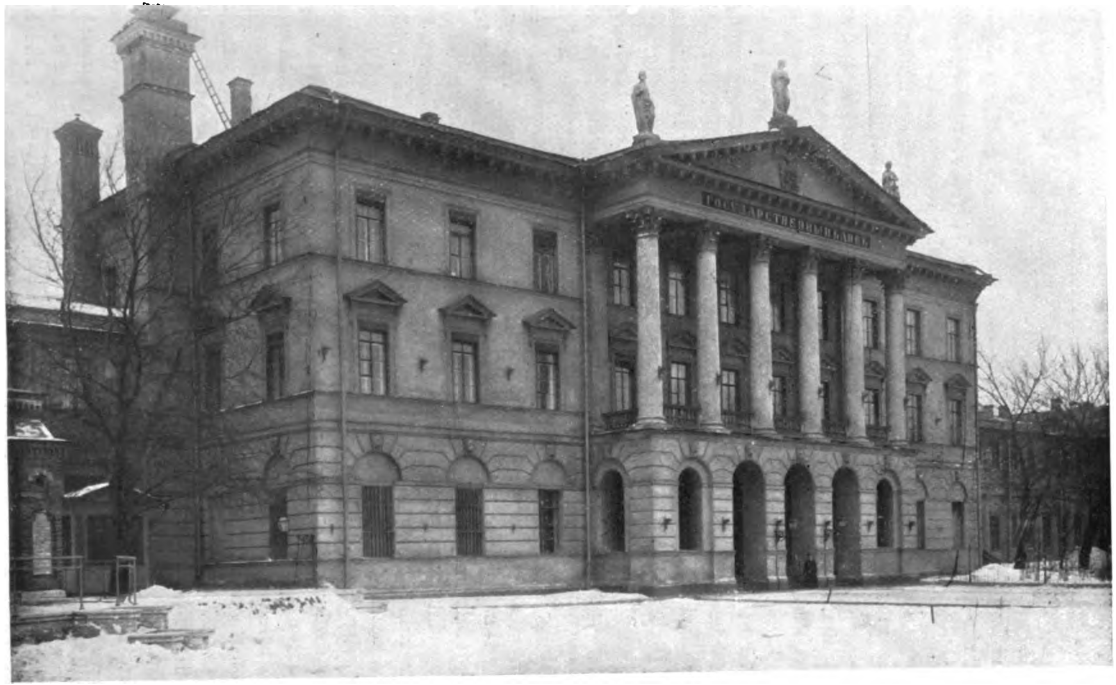
These institutions were of three types: (1) Land credit institutions for lending money on real estate for long terms; (2) institutions for commercial credit, on the security of bills of exchange and merchandise, and (3) banks of circulation, charged with the issue and cashing of paper currency. These institutions were started in 1754. In that year the Imperial Loan and Commercial Bank was established, both in order to supply the want of properly organized land credit (which had led to an increase of usury), and to improve the position of the "merchants, trading at the port of St. Petersburg," who were likewise in need of an institution of credit, if only to get loans on security of their goods.

The Imperial Decree of May 13, 1754, explained that "for the decrease of usury throughout the Empire" the following Imperial banks were to be established at the expense of the Treasury: One for the nobility in St. Petersburg and Moscow, and the other "for the improvement of commerce and of the merchant class in the port of St. Petersburg." Money was to be lent by the Nobility Bank—only to the Russian nobility, and to foreigners, permanently naturalized in Russia, and possessing real estate; and by the Commercial Bank—only to merchants, trading in the port of St. Petersburg.

The rate of interest on loans from the Nobility Bank was fixed at six per cent. a year, and from 500 roubles to 10,000 roubles were lent to one person, on security of "villages" and personal property; in the absence of real estate, money could be lent if payment were guaranteed by trustworthy persons, for a term not exceeding one year. With regard to the Commercial Bank, its organization was as follows:

Money was lent exclusively on merchandise brought to the port of St. Petersburg, at the rate of four-fifths of the value (that the goods should exceed the amount applied for by one-quarter), for a term of not under a month, and not over six, interest being reckoned at the rate of six per cent. a year. Before granting the loan the goods underwent examination, and for further security it was required that two other merchants should certify in writing that the goods really belonged to the borrower. The mortgaged goods might be sold without any restriction, the amount of the loan being deducted from the proceeds. Should the borrower wish to extend the term of the loan, "and the amount of merchandise remaining be less than three-quarters of the sum borrowed," then the guarantee of two trustworthy persons was required.

The same Decree forbade taking more than six per cent. in all private transactions, on penalty of confiscation of the creditor's whole property for the benefit of the State, leaving the money lent for the benefit of the debtor.



IMPERIAL BANK OF RUSSIA.
Main Building at St. Petersburg.

Thus the first form of State-organized commercial credit allowed of only one kind of loan, viz., on the security of merchandise, and only partially on surety, in the case of goods sold before the expiration of the term. Experience soon showed that the Bank did not fulfill the expectations, and that the merchants did not apply for loans, chiefly owing to the shortness of the terms. In consequence of this, in that same year (1754), the period was extended to one year. But this was likewise found insufficient, and the Decree of 1762 gave the Bank the right of postponing the payment, should it be found desirable.

That same year another Decree was issued (June 26) condemning the way that business was carried on in both banks. The Decree declared that the banks, which had been established for the assistance of the whole of society, scarcely fulfilled their purpose, and the money in the banks had mostly remained in the hands of the first borrowers. In consequence of this, the Decree ordered that no further postponements were to be granted, but that all the loans were to be called in immediately, and the banks were to await further orders.

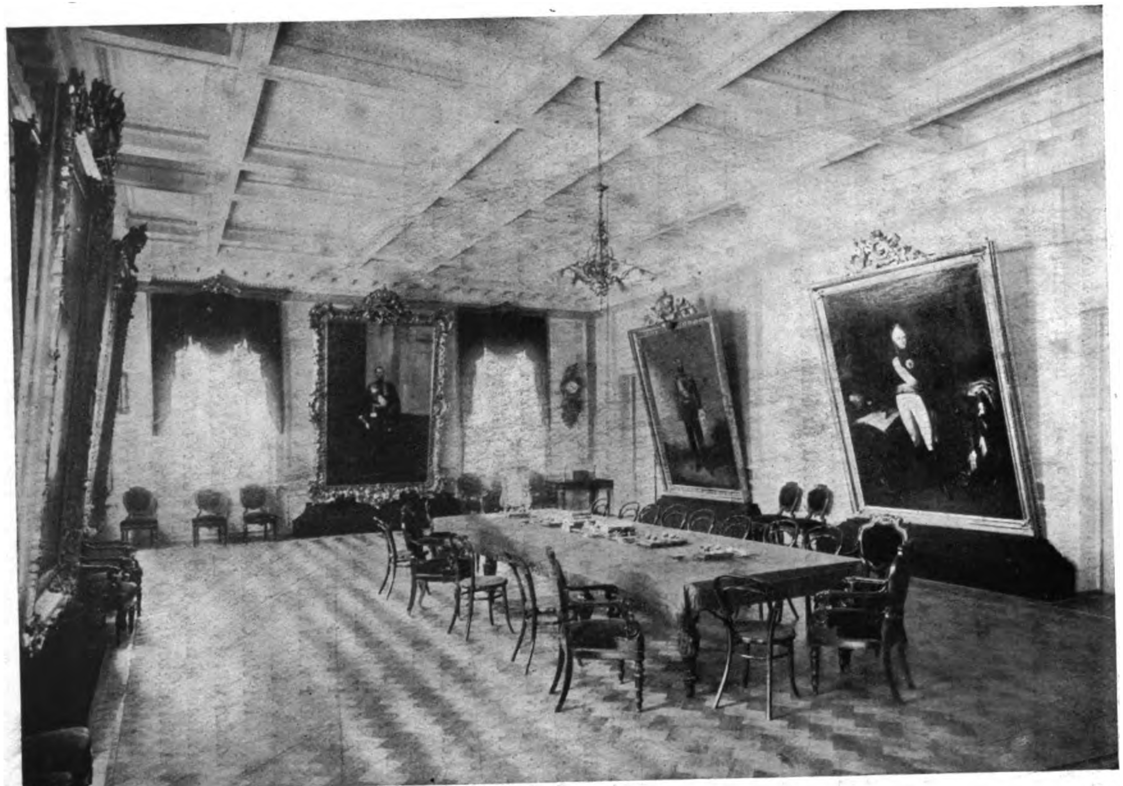
Measures for Facilitating Commercial Operations.

After establishing the Commercial Bank, which laid the foundation of commercial credit, the Government turned its attention to another important branch of banking, viz., bills of exchange, which were rendered necessary chiefly owing to the inconvenience of transmitting ponderous copper coin. For this purpose, by the Decree of November 6, 1757, 2,000,000 roubles of copper money were distributed among the magistracy of fifty towns, to be given to private persons for bills payable at St. Petersburg, likewise in copper. Persons desiring to transmit money, paid in their copper coin and received certificates of transfer, which were payable at the magistracy named in the certificate. These drafts were in use only between St. Petersburg and county towns, and were given only to persons having commercial transactions with the capital.

The measures taken in 1757 for facilitating commercial operations were so far successful that their extension was ordered by the Decree of July 21, 1758, together with the formation of two independent banks, in St. Petersburg and in Moscow, under the name of "Banking Offices for Bills of Exchange, for the Circulation of Copper Coin" (the so-called Copper Bank). These banks were charged with the following operations: (1) The transfer of Government money to St. Petersburg and Moscow, with delivery to the proper institutions; (2) the receipt of Government and private money on deposit for interest and account current, with transfers, drafts and payments made in the name of depositors; (3) lending money on bills to merchants and owners of land, mills or works.

Establishment of Banks of Issue.

At the same time that these measures for facilitating money operations were being taken, proposals were made to replace copper money by paper currency, and, in connection with this, proposals to establish banks of the third type (Banks of Issue). The first plan for replacing a portion of the copper coinage by State notes was formed in 1757, but it was never carried out. Then a Decree was issued, May 25, 1762, establishing the Imperial



IMPERIAL BANK OF RUSSIA.

Hall of the Council of the Bank.

IMPERIAL BANK OF RUSSIA.
Deposit Office.

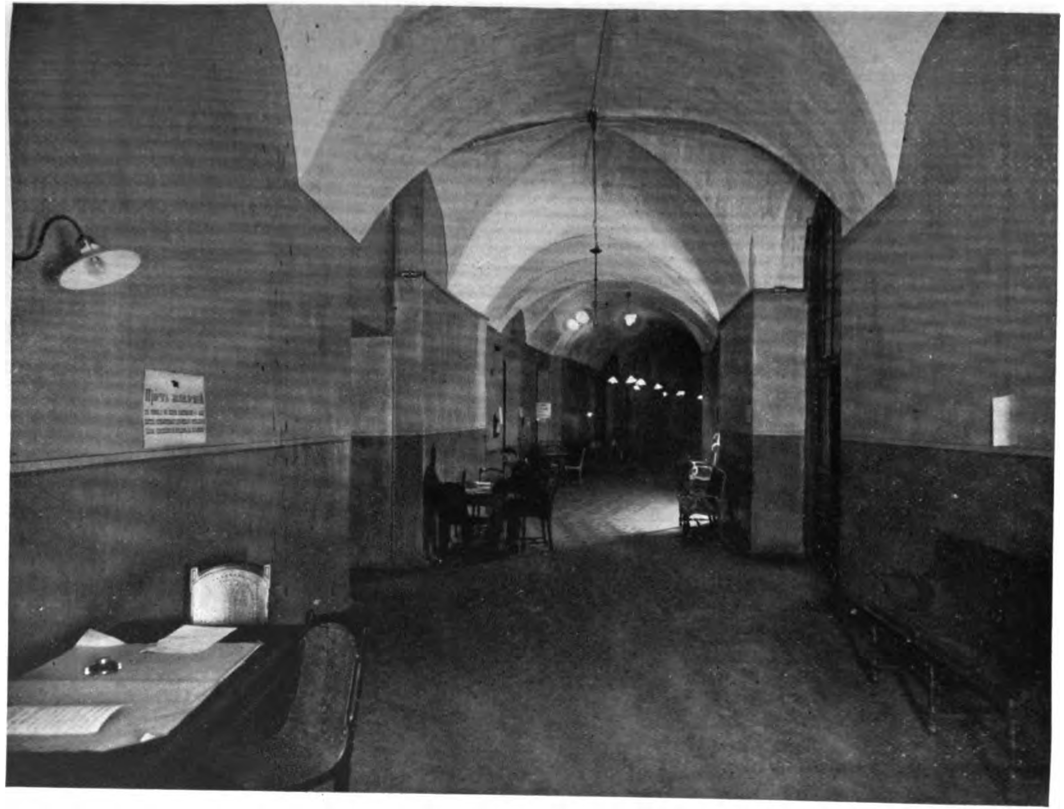
Bank, which was charged with the preparation of 5,000,000 roubles' worth of bank notes, to be distributed among those Government institutions that have to pay out most money. These bank notes were to be used in expenditure as cash. The Bank received a capital of 5,000,000 roubles in specie, and was obliged to cash all bank notes presented, and likewise to give bank notes in exchange for specie to all persons who desired it. Owing to the Emperor Peter III's death, this Decree did not come into force, but the idea formed the basis of a later Decree (December 29, 1768) for the establishment, dating from January 1, 1769, of two Banks of Exchange, one in St. Petersburg and the other in Moscow. These banks were afterwards remodelled into one Bank of Issue (or so-called Bank of Assignats).

The object of the Bank of Exchange and the Bank of Issue was the delivery to Government institutions of State notes to any required amount in return for specie, and likewise the exchange of notes presented by private persons for specie, and *vice versa*. The first issue of State notes was fixed at 1,000,000 roubles, but this was soon followed by other issues, and in 1774 a Manifesto established the limit of notes in circulation at 20,000,000 roubles. This limit was soon exceeded, and by 1784 the amount of notes was doubled, and by the end of the reign of Catherine II it had already reached 157,000,000 roubles. It is necessary to remark that the system of State notes, started in 1769, removed the question of commercial credit into the background. The State notes, issued in constantly increasing quantities, afforded the Government ample means to cover deficits, carry on wars and pay for the general expenses of the State.

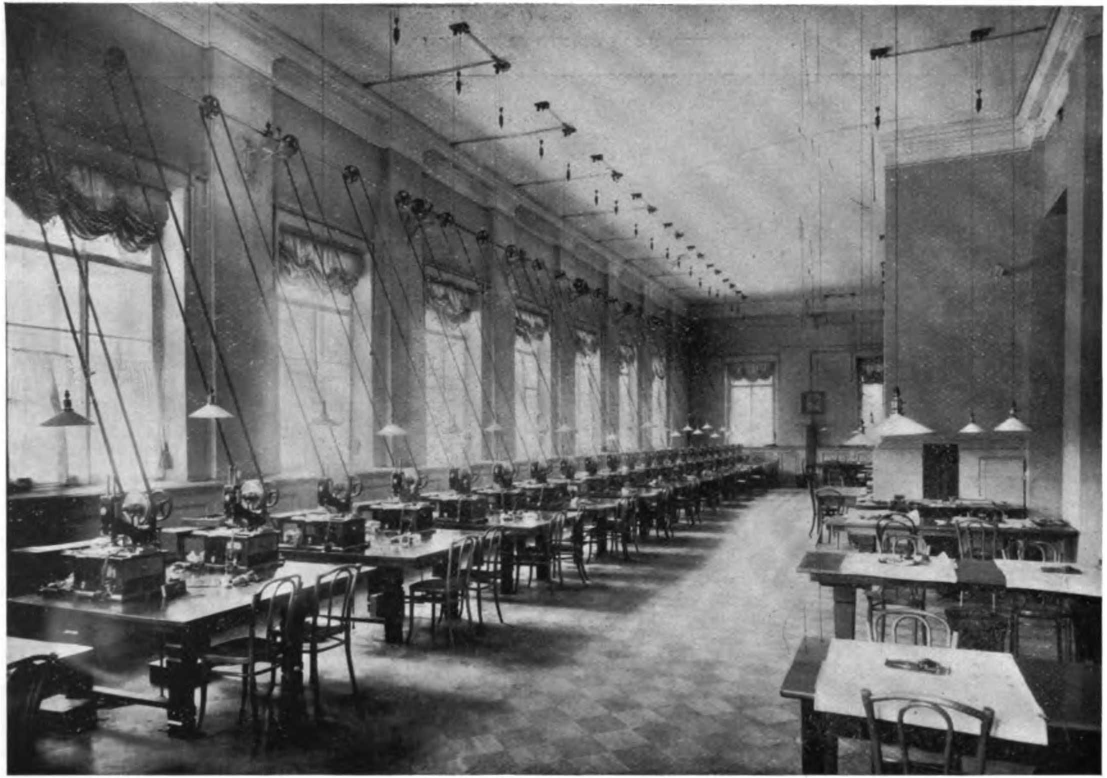
In 1770 there was an order that no more money was to be lent by the Commercial Bank, and in 1782 there was a Decree for complete abolition of this Bank, the whole capital being delivered to the St. Petersburg Nobility Bank.

The next step, after 1758, in the development of Government institutions for specially commercial credit, was only taken in 1797. Though the Issue Bank was allowed by its charter to discount bills, this was practically never done, the Bank, as has already been mentioned, remaining exclusively a bank of issue.

By the Decree of December 18, 1797, three mutually connected offices were established in the Bank: (1) The Bill-Discount Office; (2) the Goods Mortgage Office, and (3) the Insurance Office, where the goods mortgaged might be insured. The Bill-Discount Office received bills drawn and endorsed by Russians, in payment of Russian goods. The bills were limited to nine months, and the rate of discount was six per cent. a year. The Goods Mortgage Office received only goods of Russian origin, and from Russian merchants and producers, and insured in the Insurance Office. Loans were lent to the amount of one-half or three-quarters of the value of the goods, for terms from one to six months, according to the kind of goods mortgaged, and by a special scale. Postponements of payments were allowed in cases of necessity, and the rate of interest was six per cent. a year. Besides lending money on goods, the Office likewise received valuables in pawn. Though the process of raising a loan on goods was somewhat complicated, it was nevertheless simpler and more available than that of discounting bills, as was shown by the very inconsiderable development of the discount business, as compared with the great profits and the amount for which business was done in loans on goods.



IMPERIAL BANK OF RUSSIA.
Hall of Deposit Office.



IMPERIAL BANK OF RUSSIA.

Issue Department—Machines for Printing Signatures on Bank Notes.

During the first four years of their activity, it appears that the Goods Office lent over 2,300,000 roubles a year, while the Discount Office did business for not more than 1,000,000; the former received, during this time, a profit of 557,000 roubles on its capital of 4,300,000 roubles, and the latter was in want of assistance by the end of the period.

By the Decree of March 12, 1806, branches of these offices were established in Moscow, Archangel, Theodosia and Taganrog.

In 1817 decisive measures were taken for the reorganization of our Government institutions of credit. First of all, a Council of these institutions was established, with a view to the introduction of public control over Government credit. In his report on this subject to the Council of State, the Minister of Finance expressed his opinion, that in order to put the system of State credit on a firm footing, it was of great importance to establish such an institution, public and independent in its actions, as it would arouse greater confidence in the obligations of the Treasury.

This Council was composed of the President of the Council of State, the Minister of Finance and the State Comptroller, six representatives of the nobility and six of the merchants. The two chief duties of the Council were: (1) The annual verification of the State credit institutions, and the presentation of a report on the same to the Emperor, and (2) the preliminary examination and consideration of proposed alterations in the regulations of these establishments.

For the assistance of the Council and for preliminary verification of accounts and cash, a Committee of Control was established, consisting of the State Comptroller and four members, chosen by the Council from among its own number.

In the same year (1817) a plan of the charter for the new Commercial Bank, about to be established, was brought before the Council of State. In his report on this subject the Minister of Finance pointed out the unsatisfactoriness of the business done by the Discount Offices, as, owing to their insignificant capital, they could not be of any appreciable assistance to trade. The money lent by the Offices was snapped up by a few persons, and then circulated at usury. Among such borrowers some had turned out to be insolvent, and the amount of unpaid debts was very great.

The Imperial Commercial Bank.

These circumstances, together with the other inconveniences connected with the Offices, induced the Minister of Finance to replace them, for the promotion of trade and the facility of commercial transactions and payments, by the establishment of an Imperial Commercial Bank, on a basis more in accordance with the objects in view. The Bank was intended to receive deposits for safe keeping, transfer money paid in, and receive deposits for interest. Hitherto, such deposits had been received at the Nobility Loan Bank, which placed them out in loans for long terms, and thus often found itself embarrassed, and obliged the Treasury of State to furnish the Bank with the money requisite for the unimpeded return of deposits. The Minister of Finance, on his part, considered it necessary to put a stop to such borrowing, and, for this purpose, to send the depositors to the Commercial Bank, which would invest the deposits for short terms on discount of bills. It was proposed to leave the mortgaging of goods unaltered, as it had hitherto been carried on at the

IMPERIAL BANK OF RUSSIA.

A Room in the Issue Department.

Goods Office. With regard to bill discounting it was found necessary to omit from the charter any mention of the rate of discount, which must, as in foreign banks, depend on Board of Management, having regard to the circumstances and to the state of the market. It was proposed to shorten the term from nine to six months, the Minister of Finance being of the opinion that, in accordance with the business of the Bank, it might be desirable to reduce these terms still more; but this was considered difficult, "owing to the great distances between the chief commercial towns of Russia." The management of the Bank was vested in the Board, consisting of the Manager of the Bank, and of directors, one-half of whom were appointed by Government, and the other half chosen by the merchants, "both to inspire the merchants and other depositors with confidence, and likewise because of their presumably closer acquaintance with commercial operations and with the state of private credit among merchants."

The Commercial Bank was therefore established on the fundamental principles proposed by Count Goorieff, the Minister of Finance, and the Manifesto of May 7, 1817, announced that the Bank would be opened on December 1, 1818, in order to "afford the merchants means for facilitating and extending commercial operations."

It is explained in this manifesto that 30,000,000 roubles of Government capital is placed at the disposal of the Commercial Bank.

Functions of the Bank.

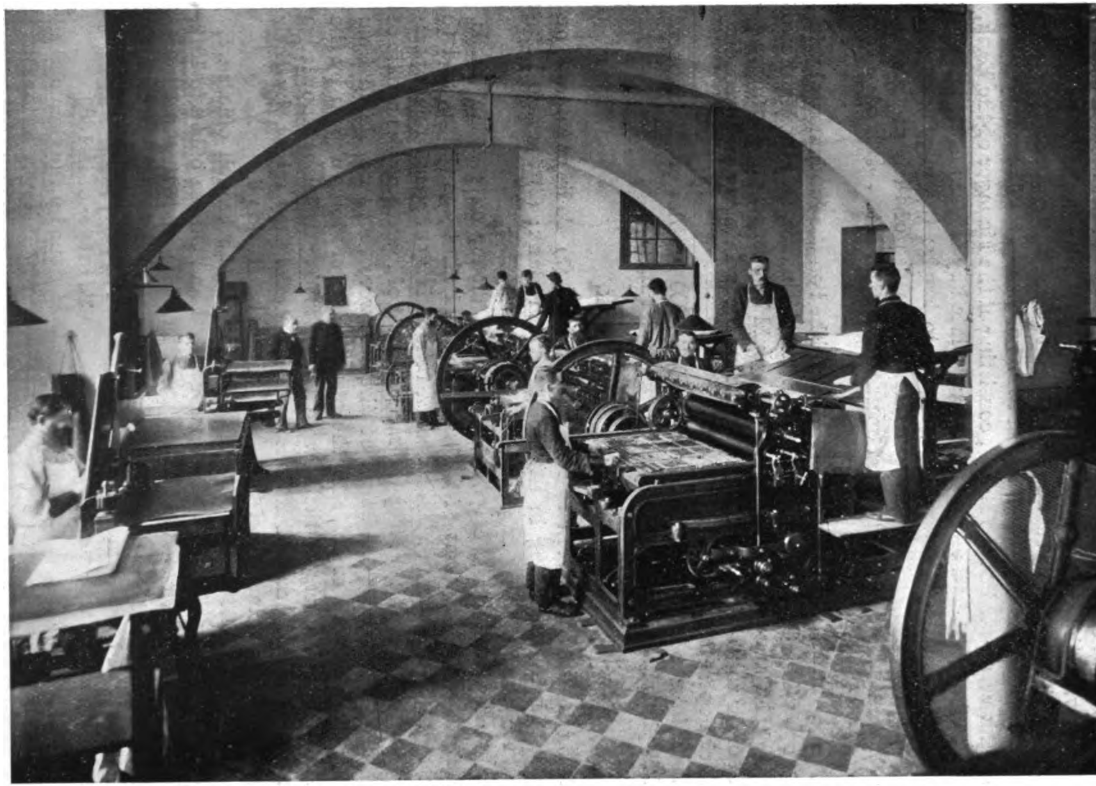
The Bank was empowered to receive deposits: (1) To lie at interest, on the same basis as those lying in the Nobility Loan Bank; (2) for safe keeping, and for transfer from one private account to another.

The Bank was likewise empowered to lend money on Russian goods, according to the regulations of the Discount and Mortgage Offices, and to discount bills, at a rate "in accordance with the activity of commercial operation, with the object of lowering the rate, and not of increasing the profits of the Bank." One-half of the board of directors were to be appointed from members of the Civil Service, and the other half were to be chosen by the merchants from members of their own class, possessing sufficient knowledge of the state of trade and of its transactions, "that they might, by their advice, assist the attainment of the object of this institution."

The year after the establishment of the Bank, the branch offices were opened—the Moscow office in 1818, the Archangel and Odessa offices in 1819, the Riga office in 1820, the Astrakhan (closed in 1831) in 1821, the Kieff in 1839, the Ekaterinburg in 1847 and the Kharkoff office in 1849.

The charter of the Commercial Bank, confirmed in 1817, did not undergo any alteration to the very termination of the Bank's existence in 1860.

In turning to a general review of the business done by the Commercial Bank, it is necessary to observe (1) that the receipt of deposits on account current, which had been greatly counted on when the Bank was started, was comparatively small, as private capital was chiefly placed as deposits on interest, the rate given by the Bank being high; (2) that these deposits on interest, on the contrary, increased considerably in amount; (3) that bill discounting, which was the principal business of the Bank, reached a considerable figure during the first few years of the Bank's existence, but when, owing to losses, the Bank was obliged to take measures for limiting the busi-



IMPERIAL BANK OF RUSSIA.
General Printing Room of the Bank.

ness of bill discounting, and to be very careful in receiving bills for discount, there was a decline in this branch of business; (4) that the Bank did not do much business in the way of mortgages on goods.

The accumulation of deposits and the stagnation in commercial operations induced the Bank to seek for other investments for its free money. On the one hand, this money was handed over to the Loan Bank, which invested it for long terms, and on the other hand, these funds were largely used by the Treasury of State. Thus, by 1859, the debt of the Treasury to Government institutions of credit reached the sum of 443,000,000 roubles. The issue of bank notes in consequence of the Crimean War caused a new influx of deposits into these institutions. Then the banks were obliged to lower the interest on deposits from four per cent. to three per cent. (July 20, 1857). This reduction caused a great outflow of deposits; from August, 1857, during twenty-two months, the calls exceeded the new deposits by 143,000,000 roubles. In view of the exhaustion of cash in the banks, the Government, in the beginning of 1859 (the Imperial Order of March 15, 1859), offered depositors four per cent. perpetual annuities, but these papers were received coldly. Then the Government was obliged to offer depositors papers bringing in more interest, and for this purpose, by the Imperial Order of September 1, 1859, the five per cent. bank bills were issued. At the same time, in order to consolidate deposits, the rate of interest on them was lowered from three to two per cent.

Of the 725,000,000 roubles of private deposits then in the bank, 274,000,000 roubles were converted into five per cent. bank bills, about 153,000,000 roubles (principally public deposits, and those of the nobility and other classes) into four per cent. perpetual annuities. The danger threatening the Bank was averted, and then the Government turned its attention to the reorganization of the banking system, a commission being appointed to revise the charter of the Commercial Bank, in pursuance of the Imperial Order of July 10, 1859.

On the foundation of the opinions expressed by the Commission, the Minister of Finance worked out a plan for reorganizing the Commercial Bank into an Imperial Bank.

The charter of the Imperial Bank was confirmed May 31, 1860, and contained the following essential regulations:

The Bank was established to promote trade and strengthen the system of monetary credit. The original capital of the Bank was increased by 15,000,000 roubles, as the capital of the Commercial Bank was found to be insufficient, and over and above this a part of the profits was to be set aside annually, until a reserve capital of 3,000,000 roubles should be formed.

Special importance was attached to the right, granted to the Bank, of keeping the free cash of the Treasury, which increased the means of extending banking operations throughout the Empire, and at the same time was a profitable investment of Government money, till then lying unproductive.

Bill discounting, in its essential points, was carried on as at the Commercial Bank; bills were discounted when guaranteed by no less than two signatures, and for a term not exceeding six months; bills over six and up to nine months could be discounted only by the permission of the Minister of Finance. Bills not based on commercial transactions were not discounted.

Money was lent by the Bank on the security of stock, precious metals and merchandise.

IMPERIAL BANK OF RUSSIA.
Staff of Firemen of the Bank.

Both stock and valuable articles were received on deposit for safe keeping.
Deposits of money were received on account current and on interest.

The Bank was under the charge of the Minister of Finance, and under the supervision of the Council of Government Institutions of Credit.

The Management of the Bank was intrusted to the Board of Directors and to the Manager of the Bank; the Board consisted of the Manager, his assistants, six directors and three deputies from the Council of Government Institutions of Credit (from the nobility, the merchants and the State control).

Local institutions of the Bank were divided into two classes: (1) Officers, established by special Imperial orders, and (2) Branches, opened by order of the Minister of Finance.

At first there were seven officers; their number was afterwards raised to nine, the number of branches, which in 1865 did not exceed twenty-four, was increased to eighty-three by the year 1893. The comparative disbursement of the Bank on its principal business was as follows (in millions of roubles): †

Years	Discount of merchants' bills		Discount of land owners' promissory notes		Loans on Stock.		Guaranteed accounts current on call		Loans on Goods	
	for 10 years	average per annum	for 10 years	average per annum	for 10 years	average per annum	for 10 years	average per annum	for 10 years	average per annum
1860-1869	758,0	75,8	—	—	678,1	67,8	—	—	66,7	6,7
1870-1879	1.684,4	168,4	—	—	696,1	69,6	1.840,9	**) 230,1	42,2	4,2
1880-1889	2.451,0	245.1	58.0	*) 9.7	555,2	55,5	2.902,5	290,2	91,7	9,2
1890 ...	237.1	237.1	16.6	16.6	72.0	72.0	196.7	196.7	16.4	16.4
1891 ...	221.7	221.7	16,3	16.3	62.8	62.8	172.5	172.5	10.6	10.6
1892 ...	159.4	159.4	17.1	17.1	43.2	43.2	72.4	72.4	10.2	10.2
Total	5.511.6	167.0	108.0	11.9	2.107.4	63.9	5185,0	247.0	237.8	7.2

*) Average for 6 years, from 1884

**) Average for 8 years, from 1872

It will be seen from this table that the first place in the commercial operations of the Bank undoubtedly belongs to the discount of merchants' bills and to loans on stock, both in the form of loans for fixed terms and of guaranteed accounts current on call. Loans to land owners and on the security of goods form a comparatively insignificant portion of the business done.

The Bank was chiefly conducive to the development of commercial credit, but not of trade credit, in the wider sense of the word, including agricultural credit. This tendency of the Bank's activity was shown by its efforts to facilitate, as far as possible, credit for commercial transactions with commod-

† NOTE.—The above table was engraved from the author's manuscript.

IMPERIAL BANK OF RUSSIA.

Furnace for Burning Bank Notes Retired from Circulation.

ities already produced, and not credit for producers of new commodities. Loans to industrial undertakings, for the improvement of production and for furnishing working expenses, were not permitted by the charter of the Bank; such loans were always of an exceptional character, and were granted by special permission of the Emperor. Only in 1884 the Bank was allowed to give credit to land owners on their promissory notes, in order to furnish agricultural estates with the necessary working expenses; but this operation, being incumbered with greater formalities than the discount of merchants' bills, never attained any great development.

Revision of the Bank's Charter.

Immediately on assuming his present post of Minister of Finance, Mr. Witte found it necessary to completely revise the charter of the Bank, with the object of directing the Bank's activity towards the greater development of the productive forces of the country.

An essential problem was the expansion of the regulations for bill discounting, and affording all possible facility for credit on security of goods, and likewise the introduction of industrial credit into the sphere of operations, in order to supply both land owners and manufacturers with means for working expenses and necessary appliances.

Besides the commercial operations, the regulations for organizing the management of the Bank likewise underwent alteration. It was decided to withdraw the Bank from the supervision of the Council of Government Institutions of Credit, and to form a Council of the Bank, with the Manager as President, of the administrative officers of the Bank, representatives of the Ministry of Finance and State Control, and likewise two elected representatives—one from the nobility and the other from the merchants. The business on account of the Treasury was under the supervision of the Department of State Control, as usual.

Furthermore, it was resolved to establish at St. Petersburg a special Office of the Bank, modelled on the local offices, in order to free the Manager and central administration from attending to current business.

Finally, with the view of extending the number of local institutions, it was proposed to unite the Government Treasuries with those of the Bank.

The System of Circulation.

In 1860, when the charter of the Imperial Bank was granted, the Bank was intrusted with the task of strengthening the system of credit, founded by the establishment of the banks of issue in the reign of the Empress Catherine II.

The business of these banks was limited merely to receiving assignats, prepared by the Government and signed by the Senate; the banks were obliged to change them for specie and bullion, received from private persons and Government Treasuries, and likewise to cash assignats presented. The banks had neither independent credit nor funds of their own. They had not even any influence on the issue of notes, and were not responsible for their unimpeded exchange for specie.

With regard to these assignats, they represented a definite amount of current coin, into which they were at any time to be converted. Not being legal tender, as any one might refuse to receive them, they served merely as a circulating medium, and were simply token money; the law did not even state definitely in what particular coin these assignats were to be cashed; it was merely said "in specie." From the beginning, these notes were practically cashed in copper, 500,000 roubles being for this purpose deposited in the St. Petersburg and Moscow banks of issue. The value of these notes, and their parity with silver depended, up to 6,178 not so much on their being cashed, which probably took place very seldom, but on the fact that, owing to their inconsiderable number, the price of these assignats was kept up by the demand for them as a circulating medium by the population.

However, with the increased issue of fresh notes, they depreciated in value, another cause being that two incommensurable units of value were in circulation at the time—a silver unit, in the shape of the silver rouble, which was used principally for foreign payments, but still used in Russia, and an assignat unit, exchangeable only for copper; *i. e.*—a purely paper unit.

Towards the end of 1797 assignats began to be cashed in gold and silver, at thirty per cent. below par, while on change the rate was forty per cent. This measure raised the course of exchanges in ten days, but completely exhausted the covering fund put aside for the purpose. It was found necessary to abandon the unsuccessful attempt, and continue to cash the notes only in copper.

In 1810 a manifesto was issued, concerning a new arrangement of the monetary system. By this manifesto the principal and unchangeable unit of all money circulating in the Empire was declared to be the silver rouble, containing four zolotniks, twenty-one dolias of fine silver. By the manifesto of June 1, 1839, the silver rouble was declared to be the only monetary unit. The Imperial assignats became merely subsidiary circulating medium, for which purpose a constant and unalterable course of exchange of three roubles, fifty copecks paper for one rouble silver was fixed.

In 1841 there was a manifesto on the issue into circulation of bank notes, to the value of 30,000,000 roubles silver, and finally the manifesto of June 1, 1843 completed the reform by the unification of the paper currency under the form of Imperial bank notes, in universal circulation on a par with silver coin, and guaranteed by the whole property of the State and by the unimpeded exchange for specie.

The manifesto of 1843 provided for cashing bank notes not only in silver, but likewise in gold, which was coined at the Government rate of 1:15.

The rapid and very considerable increase in the amount of notes issued into circulation, under the influence of the extraordinary political events that occurred in the later forties and the middle of the fifties (first issue, 170,200,000 roubles; January 1, 1849, 306,600,000 roubles; January 1, 1858, 734,300,000 roubles) caused first a difficulty in cashing notes, and then, towards the end of the fifties, a complete stoppage of the exchange of notes for specie. The consequence of this was the introduction, and then gradual establishment, of paper currency in the Empire, with an obligatory course of exchange for notes, and the unavoidable bad effects of an inconvertible currency, in connection with the instability of its value. As far back as 1847 the average course of the bank note was 99.5 copecks gold, and already twelve years after, in 1859, the rouble had depreciated in value to 83.5 copecks gold.

By the Decree of April 25, 1862, the Bank received orders to begin cashing bank notes at a varying rate of exchange, in order that, by gradually lowering the course on specie, by January 1, 1864, bank notes should stand at par. But already in November, 1863, the Imperial Bank was obliged to stop cashing notes, in consequence of the rapid exhaustion of the supply of specie, and the renewed fall in the course of notes. (January 1, 1863, ninety-four per cent, and January 1, 1865, 81.7 per cent.).

The want of balance in the budget, with a considerable excess of expenditure over the estimates, which was covered by loans, political events, the increased outflow of deposits from the Imperial Bank, as well as other contemporary causes, were in no wise conducive to the re-establishment of a metallic currency in the early and middle sixties, when, owing to the badly developed state of the industries and the absence of good means of communication, the balance of trade not only gave no surplus for the natural attraction of metal into the country, but did not even cover the foreign expenses of our general balance, which, in its turn, caused an outflow of metal abroad, and a fall in the course of the rouble.

Owing to the considerable period of time, and likewise to State Secretary Reitern's persistent efforts to establish a firmer currency, the average course of the paper rouble, from the sixty-eight per cent. of 1866, rose to 86.8 per cent. in 1874. The Russo-Turkish War entailed new issues of notes, nearly to the amount of half a milliard of roubles, followed by renewed fluctuations in the course of exchange, tending to depreciation (as low as 61.7 copecks gold for one rouble paper by January 1, 1879). Thus a second time did extraordinary political events derange the currency.

On January 1, 1881, in consequence of the representations of the Minister of Finance, Mr. Abaza, an Imperial Decree was issued, defining the order and mode of sinking the debt of the Treasury to the Bank, incurred during the war. It was ordered: (1) That the amount of the debt was to be reduced by a single payment of 400,000,000 roubles; (2) that the remainder was to be paid off by annual payments from the Treasury to the Bank (beginning from 1881), at the rate of 50,000,000 roubles a year, and (3) bank notes were to be destroyed, as they accumulate in the safes of the Bank, the requirements of circulation being, however, taken into consideration. The object of the Decree was "to establish more regular relations between the State Treasury and the Imperial Bank, and to conduce to the stability of the monetary unit, without any sudden constraint of the money market, and the consequent embarrassment of trade and industry."

This Decree, however, could not be fully carried out, and in 1887 the Committee of Finance, at a meeting on June 28, at which the former Ministers of Finance, M. Reitern and M. Bunge, were present, came to the conclusion that, according to the representations of the Minister of Finance, M. Vyshnegradsky, it was necessary to strive, not for the re-establishment of the paper rouble at par, but for the stability of its exchange at a rate approximate to one and a-half rouble paper equal to one rouble gold. The Committee of Finance likewise approved of the proposal that, before beginning to cash bank notes, the covering fund should be increased, and commercial transactions based on a gold standard should be permitted. The journal of the Committee was confirmed by the Emperor on June 10, 1887. Accordingly, by a Decree issued at the same time, the Minister of Finance was empowered to continue paying off the debt to the Imperial Bank, at his discretion, either by depositing gold for the covering fund, under specially stated conditions, or by destroying bank notes (without constraining the money market), as gold or notes accumulate in the safes of the Bank. The actual decrease in the amount of paper in circulation, together with the unextensibility of the paper currency system, was the cause of embarrassment in commercial and industrial transactions. To remove this, at the representation of the Minister of Finance, Vyshnegradsky, the Imperial Decrees of July 8, 1888, and July 28, 1891, permitted issues of notes, covered by gold, rouble for rouble.

Building up the Gold Reserve.

With a view to giving stability to the currency, the financial department began to form a considerable gold reserve, and gradually to increase the covering fund. Side by side with the efforts made for increasing the gold reserve and reducing the amount of uncovered paper, both legislative and administrative measures were taken to regulate the currency, and the stability of the course of exchange was attained, at the average rate for the last few years, of 66⅔ copecks gold for one rouble paper.

The above rate of exchange was the nearest to the price of the paper rouble, at which, for a considerable time, all home and foreign payments had been made. The whole economical life of the Empire, as well as agriculture, industry and commerce, had adapted itself to this rate of exchange.

The efforts of the financial department to increase the gold reserve and establish the course of the paper rouble were crowned with full success, so that as early as 1895 the Imperial Bank practically began to cash bank notes in gold at the rate of one rouble fifty copecks paper for one rouble gold.

Further Beneficial Reforms.

By the Imperial Order of August 8, 1896, this was fixed as the rate of exchange up to January 1, 1898, and on January 3, 1897, a law was passed, by which gold coins (imperials and half-imperials) of the value of ten roubles and five roubles gold, or fifteen roubles and seven roubles fifty copecks paper, respectively, began to be struck with their exchange value stamped on them; *i. e.*, "15 r." and "7 r. 50 cops."

By this law, the rate of one rouble fifty copecks was fixed without date, and it only remained to complete the reform by more clearly defining the functions of the Imperial Bank with regard to the issue of bank notes, which was done by the Imperial Decree of August 29, 1897.

This Decree is as follows:

"By our Imperial Decree of January 3, 1897, We ordered gold coin to be struck and issued into circulation with the price of the imperial marked '15 r.' and of the half imperial '7 r. 50 cops.' This measure, by bringing the nominal value of gold coin into correspondence with the price fixed for its exchange for bank notes, has fixed the value of the Imperial Bank notes in gold, and established the circulation of these notes on an equality with gold.

The former laws concerning the guarantee of the issue of bank notes by gold are not in accordance with Our present Decree.

In consequence of this, and in order to firmly establish the principles for the issue of Imperial bank notes, We decree the following:

Imperial bank notes are to be issued by the Imperial Bank to an amount, strictly limited by the urgent requirements of monetary circulation, on guarantee of gold; the amount of gold, guaranteeing these notes, must not be less than one-half of the total amount of bank notes issued into circulation, when the latter amount does not exceed 600,000,000 roubles. Bank notes in circulation over 600,000,000 roubles must be guaranteed by gold, rouble for rouble, so that every fifteen roubles in bank notes should be covered by no less than one gold imperial."

This law has produced a radical change in the functions of the Imperial Bank with regard to the issue of bank notes into circulation; hitherto the Bank issued notes for the State Treasury, and the bank notes were (properly speaking) State notes; since August 29, the paper rouble has acquired the character of a true *bank* note, and the regulation concerning the covering fund of gold gives an elasticity to the currency, automatically regulated by the fluctuations of discount and by the flow of specie into the Bank.

With the passing of this law, the Bank has altered the form of its balance-sheet, revaluing, at the rate of one rouble fifty copecks, the gold remaining on the issue balance by the old account; reducing the non-interest-bearing debt of the Treasury for bank notes, both by the profit obtained from the revaluation, and by 112,500,000 roubles, transmitted by the Treasury from the special fund, and entering under the head of assets the specie belonging to the Treasury, and deposited in the Bank, with a corresponding crediting of the account current of the Treasury. The resources of the State Treasury and of the Imperial Bank, and their distribution, will be seen from the returns for January 1, 1898, printed on the following pages.

The stock of gold, accumulated with a view to the reform in the currency, and amounting to 1,161,000 roubles (by the return of January 1, 1898), not only fulfills the requirements of the law of August 29, 1897, but guarantees the bank notes in circulation more than rouble for rouble, and exceeds in amount the stock of gold of any bank of issue in Western Europe.

In consequence of this, the bank notes assume the character of deposit receipts, and are representatives of specie in the safes of the Bank.

The next step towards monetary reform was made by the Imperial Decree of November 14, 1897, which ordered the coinage, and issue into circulation, of a new five rouble gold piece, value one-third of an imperial; likewise a change in the inscription on bank notes; according to the old inscription, the Bank was to cash the note at its nominal value, in gold or silver coin, while the new inscription declares that the note is exchangeable exclusively for gold, without any limit as to the amount, at the rate of 1 r. = 1-15 of an imperial, containing 17.424 dolias fine gold.

For comparison, both the old and the new inscription is quoted in full:

ON THE FACE.

Old Inscription (1866 Pattern.)	*New Inscription.*
Imperial Bank note. On presentation the amount of * * * in gold or silver coin is to be paid out of the covering fund of the Imperial Bank.	Imperial bank note * * * roubles. The Imperial Bank cashes bank notes in gold without any limit as to the amount.

REVERSE.

(1) Imperial Bank notes are guaranteed by the whole property of the State, and by being at any time, without any impediment, exchangeable for specie from the covering fund.	(1) Imperial Bank notes are guaranteed by the whole property of the State.
(2) Bank notes circulate throughout the Empire on a par with silver coin.	(2) Bank notes circulate throughout the Empire on a par with gold coin.
(3) Forgers of bank notes are deprived of all civil rights, and transported to penal servitude.	(3) Forgers of bank notes are deprived of all civil rights, and transported to penal servitude.

Imperial Bank of Russia and State Treasury—Return for January 1, 1898.

Assets.

1.	Stock of gold	R 1.160.832.792	66½
2.	Cash · a) Bank-notes	97.789.994	—
	b) Silver of 0.900 fineness	23.902.051	-
	c) Token coin (silver & copper)	14.667.724	58½
	d) Exchequer bills		
3.	Balance of the Treasury abroad	138.532.000	—
4	" " Bank	19.937.569	43¾
5.	Foreign bills	297.780	52
6	Discounted bills (bills guaranteed by two signatures at least, & accepted bills) and other short-termed securities	147.477.923	73
7.	Advances on special accounts current, guaranteed by goods	5.118.656	06
8	" " " " securities	28.951.895	98
9	Loans on securities	33.769.905	15
10	" " goods	22.484.905	68
11	" " bills of lading, deposit warrants etc	733.000	—
12.	" to landowners	14.749.603	65
13	" " industrial establishments	10.942.762	11
14	" " tradespeople	655.531	50
15	" for purchase of agricultural machinery	1.769.000	—
16.	Advances to agents	97.483	69
17	Loans to municipalities and provincial assemblies (zemstvos)	53.000	—
18	Branch offices (advances to) at St Petersburg and Moscow	3.704.000	—
19	Open credits against guarantee of real estate	3.164.984	39
20.	Securities belonging to the Bank	24.854.170	56
21.	" on commission	22.688	98
22.	Administrative charges and sundries	7.338.489	53¾
	Total	1.761.847.913	22¼

The Decree of November 14, 1897 completes the legislative measures which form the foundation of the currency reform; a series of legislative and administrative measures, taken during several consecutive years, prepared the ground for a fixed course of exchange of the paper rouble for gold, which was established by the Decree of January 3, 1897, for coining gold with the value "15 r.," on the imperials, and "7 r. 50 cops." on the half-imperials. This removed the great practical inconvenience of coins differing in value from their nominal price. All these measures for the reform of the currency could be successful only in so far as specie was in actual circulation, and so all the efforts of the financial department were directed to the attainment of that object. Regulations were made for the increase of payments in gold by the Imperial Bank and likewise by private banks, and for the stoppage of the issue into circulation of small notes. Nevertheless, in spite of the 100,000,000 roubles of gold in circulation, it was found that the population had not quite got accustomed to the new order of things; as in all changes, however beneficial, custom was a great obstacle. Adapting itself to the existing state of things, the currency reformers took advantage of the imperial and half-impe-

Imperial Bank of Russia and State Treasury—Return for Jan. 1, 1898 (Continued).

Liabilities

1.	Bank-notes issued	R.999.000.000	
2.	Exchequer Bills issued	182.331.000	
3	~~Receipts for half imperials~~ Gold certificates	48.860	25
4.	Drafts on foreign houses, drawn by the Bank	2.839.534	64
5	Deposits on term	29.578.341.	76
6	" at sight	62.237.564.	26½
7	Accounts current:		
	a) deposits	131.058.000	–
	b) Public institutions (State, provincial, district, municipal etc.)	86.752.836	67¼
	c) of private persons and institutions of credit, commercial and industrial companies	61.816.817	08¾
8.	Railway account	26.426.692.	23
9.	Unpaid ~~Drafts~~ transfer orders	8.841.604.	99½
10	Interest due on deposits, short accounts and sundries	15.754.950.	52½
11	Balance of Assets above Liabilities	156.161.710.	90.
	Total	1.761.847.913	22½

rial already in circulation. But in attempting gradually to wean the population from a paper currency, it was found best to give the new medium of exchange a practical and convenient form, a thing of great importance in such cases. These conditions are fulfilled by the new coin, which is not of too great value, and is adapted to the decimal system. For the purposes of international exchange, the imperials and half-imperials are still more convenient, as they correspond to the forty-franc and twenty-franc pieces. At the same time, they are very similar to the tchervonetz (ducat) coined in 1885 (value 4 r. 63½ cops.) Both the standard weight (1 zolotnik 0.8 dolias) and the amount of fine gold (87.12 dolias) approach very nearly to that of the smaller gold coins of the most important countries. The English half-sovereign has 82.35 dolias of fine gold, with a standard weight of 89.77 dolias; the German ten-mark piece = 80.64 dolias, with a standard weight of 89.55 dolias; in France (as well as in Italy, Belgium, Greece, Servia and Bulgaria), the ten-franc piece has 65.25 dolias of fine gold, the standard weight being 72.67 dolias. The Austro-Hungarian ten-crown piece contains 68.58 dolias of fine gold—standard weight 76.20. The American quarter-eagle 84.60 dolias gold, standard weight 94.05 dolias. In Japan the two-yen piece contains 67.50 dolias fine gold, the standard weight being 74.92 dolias.

Imperial Bank of Russia—Return for January 1, 1898.

Assets

1. Cash: a) Bank-notes	R. 97.789.994	
b) Gold coined according to the Decree of Jan. 3 1897	„ 168.934.445	
c) Silver coin of 0,900 fineness	„ 23.902.051	
d) Token coin (silver & copper)	„ 14.667.724.58¼	
Total	305.294.214 58¼	
2. Non-interest-bearing debt of Treasury for banknotes issued	175 000 000	
3 Gold in ~~monthly~~ [illegible] of former coinage, foreign coin and bullion, and bonds for gold delivered to Treasury	991 898.347	66½
4. Balance due to Bank in foreign houses	19 937.569	43¼
5. Foreign bills	297.780	52
6. Discounted bills (bills guaranteed by two signatures at least, & accepted bills) and other short-termed securities	147.477.923	73
7 Advances on special accounts current, guaranteed by goods	5.118.656.	06
8 „ „ „ „ „ securities		
9 Loans on securities	28.951.895.	98
10 „ „ goods	22.484.905	68
11 „ „ bills of lading, deposit warrants etc.	733.000	—
12 „ to landowners	14.749.603.	65
13 „ „ industrial establishments	10.942.762.	11
14 „ „ tradespeople	655.531	50
15 „ for purchase of agricultural machinery	1.769.000	—
16 Advances to agents	97.483	69
17 Loans to municipalities and provincial assemblies (zemstvos)	53.000	—
18. (Pawn ~~agencies~~ [illegible]) at St Petersburg and Moscow	3.704.000	—
19 Open credits against guarantee of real estate	3.164.984	39
20 Securities belonging to the Bank	24.854.170	56
21 „ on commission	22.688	98
22 Account with the Nobility Bank, the Peasant Bank and other government institutions	7.944.455	21
23 Administrative charges and sundries	7.338.489	53¾
24 Accounts of branch offices	140.812.021	95
25 Treasury account	40.571.000	
Total	1.987.643.390	38¼
Over and above that, deposited for custody: Deposits of private persons and institutions: gold & silver	5.555.872.	40
securities	2.707.015.368	84½

It is of no less importance that, according to the Decree of November 14, the inscriptions on the bank notes are adapted to the new basis of the currency. The former inscriptions guaranteed the notes being cashed in specie from a special fund, and gave them the circulating value of silver. By the Imperial order of July 16, 1893, abolishing the coining of silver bullion and recoining of old silver for private persons, silver was deprived of its former

Imperial Bank of Russia—Return for January 1, 1898 (Continued).

	Liabilities.	
1. Bank-notes issued	R 999.000.000	—
2. ~~Receipts for half-imperials~~ Gold certificates	48.860	25
3. Drafts on foreign houses, drawn by the Bank	2.839.534.	64
4 Capital of the Bank and its branches	50.000.000	—
5. Reserve	3.000.000	—
6. Sums assigned for buildings for branch offices	331.872	18½
7. Deposits on term	29.578.341	76
8 " at sight	62.237.564.	26½
9. Accounts current:		
a) Treasury	273.395.380.	46
b) deposits	131.158.000	—
c) public institutions (State, provincial, district, municipal etc.)	86.752.836	67¼
d) of private persons, institutions of credit, commercial & industrial companies	61.816.817	08¾
10 Railway account	25.426.692.	23
11 ~~Unpaid drafts~~ Unpaid transfer orders	8.841.604	99½
12 Interest on business done in 1897	2.166.986.	66
13. Interest due on deposits, short accounts & sundries	15.754.950.	52½
14 Net profit on estimates for 1896	9.174.529	21
15 Account of Bank with branch offices	159.857.000	—
16 " " " treasuries	66.362.419	44½
Total	1.987.643.390	38½

importance in the monetary system. By the Decree of March 3, 1895, all the silver in the covering fund was replaced by a corresponding amount of gold, and thus it became practically impossible to fulfill the conditions stated in the inscriptions—*i. e.*, to cash the notes in silver. Then by the Decree of January 3, 1897, fixing the value of the imperial at fifteen roubles and the half-imperial at seven roubles fifty copecks, the circulation of bank notes on a par with gold was established. Finally the Decree of August 29, 1897, established the basis of the issue of notes, guaranteed by gold at the rate of fifteen roubles for the imperial. At present, as has already been mentioned, the essence of all these measures has been visibly expressed by the new inscription on bank notes. Thus a monometallism of gold, the only true basis, has been established, and silver has become merely a subsidiary coinage.

CHARACTER OF BUSINESS DONE BY THE BANK.

By its charter, the Imperial Bank discounts bills, guaranteed by no less than two reliable signatures, and based on commercial transactions or drawn for industro-commercial purposes. Bills are discounted if they have no more than six months to run. By decisions of the Council, confirmed by the Minister of Finance, the Bank is permitted, in certain districts and for certain

[* Amounts in millions of roubles.]

Date	Discounted in 1896			Remaining for Jan. 1st 1898		
	number of bills	amount	proportion	number of bills	amount	proportion
up to 1 month	111.786	33.719	7,8	8745	4253,3	2.6
" 2 "	132.363	51.366,2	12	25.116	11.191	7
" 3 "	149.468	82.638,2	19,2	37.903	22.005,5	13,7
" 4 "	93.491	47.061,7	10,9	31.999	18.368	11,4
" 5 "	78.160	51.913,8	12,1	26,440	22.760,6	14.2
" 6 "	121.688	124.250,3	28,8	48.830	58.742,3	36,6
" 9 "	24.928	31.364,8	7,3	12.601	17.265	10,8
" 12 "	5.379	8.224,8	1.9	3867	5.884,1	3,7
Total	717263	430540		195.501	160.469,8	

forms of trade and industry, to discount bills which have over six, but not more than twelve, months to run.

Of course, the feeble development of commerce and industry, and the inadequate number of railways, together with the enormous distances to be traversed, place the economic life of Russia in conditions differing completely from those of Western Europe, in consequence of which the Imperial Bank can not limit its business to bills for three months, as is done by the issue banks of Western Europe. For its discount policy, the Bank strives to keep as much as possible to short bills, and for this purpose a certain scale of discount has been established by which short bills are discounted at a lower rate. Then in 1897 for the first time a trial was made, at the Nijhni Novgorod Fair, of discounting bills of not over nine months. The refusal to discount

* NOTE.—The above table was engraved from the author's manuscript.

twelve months' bills of course had its effect on the business done, which was considerably less than that of the preceding year; but at the same time it led to the failure of several merchants, who had not been able to adapt themselves to the new condition of affairs. It is evident that such like measures should be taken gradually and with due care, and in this respect the Bank ought not to be too far in advance of the social development of the country, but should merely assist, as far as possible, in the spread of the true principles of trade and industry. The distribution of bills in the possession of the Bank, according to dates, will be seen from the table on the opposite page.

To determine the amount of credit to be granted by the Bank to private persons, firms and institutions, and to estimate how far the bills presented for discount are to be depended on, discount committees are attached to the Bank and its offices and branches, presided over by the Manager of the office or branch, and composed of the director in charge of the discount operations, and of competent persons, of well-known experience in trade and industrial enterprise, who are chosen for a term of two years by the Council of the Bank at the nomination of the local offices or branches.

The rate of discount, which is decided by the Council of the Bank and confirmed by the Minister of Finance, kept within the following limits:

1896.

4½	per cent.	per annum	for	discounting	bills of 3	months	(inclusive).
5½	"	"	"	"	3 to 6	"	"
7	"	"	"		over 6 to 9	"	"
7½	"	"	"		over 9 to 12	"	"

1897.

Till Sept. 11.		*After Sept. 11.*							
4½	per cent.	5	per cent.	per annum	for	discounting	bills of 3	months	(inclusive).
5½	"	6	"	"	"	"	3 to 6	"	"
7	"	7½	"	"	"		over 6 to 9	"	"
7½	"	8	"	"	"		over 9 to 12	"	"

1898.

4½	per cent.	per annum	for	discounting	bills of 3	months	(inclusive).
5½	"	"	"	"	3 to 6	"	"
7	"	"	"		over 6 to 9	"	"
7½	"	"	"		over 9 to 12	"	"

The bill discounting done in 1896, as compared with that done in 1895, gives the following results:

TOTAL DISCOUNTED.	*1895.*		*1896.*	
	Number of bills.	*Amount in 1,000 r.*	*Number of bills.*	*Amount in 1,000 r.*
January	52,987	34,472	62,528	36,878.7
February	50,342	32,550	60,511	37,497.4
March	55,536	33,736	50,936	30,910.5
April	44,343	25,151	66,987	36,303.3
May	56,530	33,531	54,965	29,328.5
June	51,522	31,720	52,555	30,129.7
July	50,411	29,897	59,041	34,974.8
August	60,573	38,850	60,696	36,186.8
September	56,761	34,637	62.168	38,157.8
October	57,648	34.539	69,636	41,124
November	55,987	37,258	61.583	39,528.5
December	59,192	41,148	55,657	36,520
Total	651,832	407,489	717,263	430,540

The general total of interest, entered by the Bank as profits on bill discounting, amounted to 10,295,000 roubles.

Besides money lent on security of bills and stock, either in the form of ordinary loans or of guaranteed accounts current on call, in no wise differing from similar business done by issue banks in Western Europe, the Imperial Bank deals in loans on the security of goods, as well as in loans on promissory notes of land owners, intended as a means of providing agriculturists with funds for working expenses.

Of loans on goods, those lent on corn form the most considerable amount, which, by the return for January 1, 1898, reaches the sum of 18,225,000 roubles.

Both these operations were introduced into the business of the Bank in order to afford all possible support to agriculture, and to give land owners the possibility both of increasing cultivation and of waiting for a convenient opportunity for realizing their agricultural produce.

Having, however, the stability of the currency for its principal object, the Bank strives to have easily convertible assets, and therefore is duly careful of lending money on goods and to land owners, as such loans are apt to become long-dated.

With the introduction of a metallic currency, the Imperial Bank has taken a series of measures for the greater convertibility of loans on goods and loans to land owners, which, by mere force of circumstances, may become long-dated. With regard to loans on corn it was decided that they were to be lent for one season only, and for a term not exceeding twelve months, including all postponements. Within these limits, the term of each loan is fixed by the local branch, whose business resolved itself into adapting the loans to such a date, when, under ordinary conditions the realization of produce is possible, and may be more profitable than at the time the goods are mortgaged.

Under normal conditions, the reimbursements of expenses incurred during the campaign should take place about the commencement of the next season; *i. e.*, not later than August 1. By comparing the balance left at the beginning and at the end of the season in 1896 and in 1897, the correctness of the Bank's policy will be apparent:

1896.

Loans on corn	maximum 41,807,000 roubles	January 16.
" "	minimum 12,781,000 roubles	September 7.

1897.

Loans on corn	maximum 22,361,000 roubles	January 1.
" "	minimum 7,880,000 roubles	August 8.

The statistics of the loans to land owners will likewise show the moderate disbursement of the Bank on this form of business, and the tendency to keep within strictly defined limits:

LOANS TO LANDOWNERS.

January 1, 1896	25,000,000 roubles.
July 1, 1896	24,000,000 "
January 1, 1897	21,000,000 "
July 1, 1897	19,000,000 "
January 1, 1898	15,000,000 "

Work of the Bank in Promoting Savings and Investments.

The business done by the Bank in buying and selling stock has greatly conduced to the encouragement of saving among the population. The favorite paper of the public is the four per cent. State annuities, first issued in 1894 for the conversion of the five per cent. loans, and which at present have attained the position of international securities, with a very great market. The Bank likewise sees to the investment of money deposited in the Savings banks, the funds of which, for the period of 1891–1897, rose from 182,000,000 roubles to 457,000,000 roubles. Part of this money is kept at the Bank on account current, while the rest is invested in the funds, and likewise kept at the Bank, among the deposits for safe keeping, the sum total of which does not enter into the balance-sheet.

In 1893 the purchase and sale of specie was opened at the Bank, this being one of the measures taken by the Minister of Finance chiefly for the purpose of restraining the speculation on the course of the paper rouble, very extensively practised on 'Change at St. Petersburg and Berlin. The persistent efforts of the financial administration succeeded in transferring the centre of gravity of course-regulation from the Berlin to the St. Petersburg Exchange, where now the representative of the Ministry of Finance and of the Imperial Bank is present. All these consecutive measures, taken in this direction by the Ministry of Finance, have led to the total abolition of fluctuations in the course of exchange, this being fixed, towards the end of 1895, at the rate of one rouble gold equal to one rouble fifty copecks paper, which corresponds to the Berlin exchange of 216 marks equal to 100 roubles paper.

At the same time, the efforts of the Imperial Bank were directed to accumulating as large a stock of gold as possible, in order to open the payment of notes in cash. Thanks to a favorable balance, and, as a consequence, a favorable state of the course of bill-exchange, it was found possible, from 1896 to January 1, 1897, to draw from abroad about 154,000,000 roubles gold, or about 231,000,000 roubles paper, which were added to the gold already on hand, and this circumstance likewise conduced to the further success of the currency reform.

In order to form a proper idea of the amount of gold reserve in the possession of the financial administration, one must add the balance of the Bank with foreign houses and keep in view the similar balance of the Treasury, which does not figure in the returns of the Bank.

Relations of the Bank to the Imperial Treasury.

The relations between the Imperial Bank and the Treasury are very close; but, although the funds of the Bank are always kept strictly separate from those of the Treasury. the profits of the Bank, which is an institution of the Ministry of Finance and immediately subordinate to the Minister, are credited to the account current of the State Treasury Department.

The Treasury is debtor to the Bank for former issues of bank notes to the amount of 175,000,000 roubles; but it must be remembered, on the other hand, that all the free money of the Treasury is kept at the Bank; and, for example, on January 1, 1898, the account current of the Treasury was actually 98,395,000 roubles in excess of its debt for bank notes issued.

In 1896 there was an amalgamation of the local Treasuries with the branch offices of the Bank, and the cash was united. The Treasuries were charged with conducting the simpler forms of banking business.

The introduction of the Treasuries into the sphere of banking was found to be of great convenience to the public, especially in regard to the transfers of money. Owing to the vast extent of the Russian Empire, there was a want of institutions for transmitting money, and this want became particularly prominent with the development of a metallic currency in this country.

The capital of the Bank, first formed of sums granted by the Government on the confirmation of the charter on June 6, 1894, has been increased from 25,000,000 roubles to 50,000,000 roubles, again at the expense of the Treasury.

In distinction from the issue banks of Western Europe, the Imperial Bank is a pure type of a State bank, managed by Government officials. As has already been mentioned, the Bank was established at the expense of the Treasury, and all the profits, on confirmation of the annual balance-sheet, go to the Treasury.

The bank notes, of which there are at present 999,000,000 roubles' worth in circulation, are prepared at the expense of the Imperial Bank by the Bank Note Printing Office, which is attached to the Ministry of Finance.

This establishment is furnished with all the best appliances, and in its organization can compare favorably with any similar establishment of Western Europe.

The Bank Note Printing Office does not restrict itself to printing bank notes, but likewise prepares bill forms, stamped paper, excise wrappers, postage stamps, etc., and also undertakes orders from companies issuing shares or bonds.

In the beginning of 1895 the course of bank notes was not fixed, but measures were already being taken for the introduction of specie into circulation, and a special kind of metallic deposit receipt was issued, which was given in return for gold deposited, and destroyed on being presented at the Bank for payment. It was intended to accustom the public to substitutes, freely cashed in specie, which might in time play the part of real bank notes (as distinct from State notes). The public, however, accustomed to paper currency, received this substitute for money very coldly, the circulation of these receipts was very limited, and they were only of some convenience to payers of Custom House duty (levied in gold), and the Imperial Bank, in view of the inconsiderable utility of these receipts, and likewise owing to the apperance of forged receipts, ceased further issues, and withdrew from circulation the receipts already issued.

In order to induce the public to deposit its free cash in the Bank, and likewise to give productiveness to capital lying idle, in 1895 the Imperial Bank opened special conditional accounts current (giro accounts), on the pattern of those in use at the German Imperial Bank.

In this conditional account current there must always be a certain minimum balance, fixed by the Bank, by agreement with the client, made on opening the account, and in dependence on the anticipated extent of the client's business.

Afterwards this minimum may be increased, regard being had to the manner and extent of the depositor's use of his account current, but in no case is this minimum to be under one hundred roubles.

No charge is made on conditional accounts current for the following operations:

1. The Bank receives and enters on the conditional account current:

(*a*) All sums paid directly to this account.

(*b*) All drafts sent to the Bank in the name of the depositor, as well as all kinds of payments (on bills and other obligations placed on commission by the depositor), etc.

(*c*) All sums due to the depositor from the Bank, but not yet paid, for discounted bills and loans on stock, for coupons of securities deposited for safe keeping, etc.

(*d*) Interest due on account current.

2. The branch of the Bank where the conditional account current is opened:

(*a*) Makes payments and transfers to other accounts, by checks of the depositor.

(*b*) By his orders, transfers sums, lying on account current, to other branches of the Bank, and issues letters of credit for that amount.

(*c*) Pays bills and other obligations of the depositor.

(*d*) Pays all charges on the depositor's transactions, such as those for telegraph money orders, stamp duty, etc.

3. All the above-mentioned operations are performed free of charge, with the exception that private banks and institutions of credit are charged for drafts and transfers.

The depositor disposes of the money lying on account current by means of red or white checks.

The white checks serve for writing cash orders, while the red checks are used exclusively for transfers from the depositor's account to any other account current in any of the branches of the Imperial Bank.

The business done on conditional accounts current, opened by the Bank in 1895, is developing very slowly, owing to the slight acquaintance of most people with banking operations, and the result attained by the Bank in this respect are as yet trifling.

Interest on conditional accounts current is reckoned at the rate of one per cent. per annum, in distinction from ordinary accounts current, on which the Bank pays two per cent. However, some years ago the Bank used to pay no interest whatever on accounts current, and will no doubt resume this practice, as the experience of two years has shown that the payment of interest has not attracted any more deposits.

Ordinary accounts current serve exclusively as a means of keeping money belonging to the depositor, and, as has been already stated, the Bank pays two per cent. per annum on them.

In connection with ordinary accounts current, it is likewise necessary to mention deposits on term and deposits without term. On the first, the Bank pays from one per cent. to three and a half per cent., according to the term, while the interest on the second is one per cent. per annum.

Besides ordinary and conditional accounts current, the Bank has so-called special accounts current on call, guaranteed by bills and stock.

This operation, together with loans on security of stock, allows the client to use the money of the Bank on good security, and does not differ in detail from similar business done by the issue banks of Western Europe.

By the charter of 1894, the regulations concerning deposits, received by the Bank exclusively for safe keeping and not entered into the balance-sheet, underwent several material alterations, amounting to the following: Now the Bank, should the depositor wish it, does not restrict itself to merely keeping the stock deposited, but likewise watches the drawings of the loans and replaces the bonds that have been paid off and cancelled by new ones; and besides that, when the coupons are due, the Bank does not deliver them to the depositor in kind, but credits the depositor with the money due on them.

The Weekly and Annual Reports.

The Imperial Bank publishes its returns weekly, on the 1st, 8th, 16th and 23rd day of each month, in the form given above.

In distinction from the issue banks of the West, the Imperial Bank in its weekly returns, shows the business done at St. Petersburg under different heads from that done by the local institutions; since 1897, a third column has been added, showing the operations of the Treasuries.

The annual reports of the Imperial Bank are examined by the Council of the Bank, confirmed by the Minister of Finance and presented for final confirmation to the Council of State, after which they are published for general information.

On closing the accounts for the past years, the following profits have been shown:

1890	5,293,000	roubles.
1891	10,441,000	"
1892	6,088,000	"
1893	9,333,000	"
1894	10,742,000	"
1895	9,996,000	"
1896	9,960,000	"

The Government of the Bank.

The Imperial Bank is directly subordinate to the Minister of Finance, who is charged with the higher supervision of the activity of the Bank. Besides the decision of matters specially defined in the proper articles of the charter, it depends on him to charge the Bank with the operation under his immediate direction, with gold and stock, as well as special business for the Treasury and different departments and institutions.

The general government of the Bank is vested in (1) the Council of the Bank; (2) the Manager of the Bank.

The Council of the Bank is presided over by the Manager, and is composed of the Director of the Special Chancellery for Credit, a member of the Department of State Control, the Assistant Manager of the Bank, the Manager of the St. Petersburg Office, and two members from the Ministry of Finance, appointed by the Emperor at the representation of the Minister of Finance, one member from the nobility and the other from the merchants.

The immediate chief of the Bank is the Manager. He exercises the executive power in the affairs of the Bank, in so far as they are beyond the jurisdiction of the local branches. The administrative power belongs to him in so far as it does not concern business to be decided by the Minister of Finance and the Council.

The Manager is appointed by an Imperial Decree to the Senate. To aid the Manager, two Assistants are appointed, to whom he may intrust the performance of any of the duties in connection with the management of the Bank, or the supervision over any part of this management.

The Manager's Assistants are appointed by an Imperial Order to the Ministry of Finance.

One of the Assistants, by appointment of the Minister of Finance, replaces the Manager of the Bank.

THE EXECUTIVE FORCE AND THE EMPLOYEES.

The supervision over the business of the local branches is intrusted to inspectors, attached to the central administration of the Bank. Each of them superintends the correct performance of some one, or several branches of business, done by all the local branch offices, and verifies the local branches in regard to his specialty.

Besides these there are inspectors whose special duty it is to verify the local branches in every line of business. These inspectors have no duties in the central administration, and are mostly on the move.

During the last few years about one-third of the offices have been verified every year.

Attached to the Central management are: The Central Bookkeeping Department, which has charge of the settlement of the mutual accounts between the local branches, the making out of the balance-sheets and of the annual report of the Bank, from data furnished by the local institutions; the Judicial Department, the solicitor, the Office or Chancellery, which has charge of the *personnel* and of the household department.

The number of employees in 1897 amounted to 3,553, of whom 901 were in the central management and in the St. Petersburg office, and 2,652 in the provinces. There were likewise 1,844 inferior employees and servants. Besides these there were 1,357 members of the loan and discount committees, who performed their duties without any remuneration.

Working and administrative expenses for 1896 amounted to 7,460,000 roubles.

In 1897 there were 113 local branches, and besides that, 605 Treasuries, charged with the simpler forms of banking business.

The premises of the Imperial Bank at St. Petersburg are in the very centre of the town, and are very conveniently situated. It is so arranged that the public enter and leave by one and the same door; and although the building fronts two ways, all the business departments are on one side, the other side being occupied by the apartments of the Council and by those of the Manager.

With regard to security the premises of the Imperial Bank are very well arranged, the whole being built on a system of vaults, without any of the wooden beams still so much used in Russia; hose are placed on the premises, and a special set of fire engines is always in readiness.

The vaults in which bullion, specie and valuables are kept are protected day and night by a guard of twenty-six soldiers, under the command of an officer.

P. BARK.

ST. PETERSBURG.

INCREASING THE CIRCULATION OF GOLD.

The law of April 2, 1792, establishing the National Mint, provided for the coining of eagles, half eagles, and quarter-eagles. The total value of these issues of gold coins to the close of the fiscal year ending June 30, 1897, is stated in official bulletin No. 143, recently issued by the Treasury Department, as follows:

Eagles	$274,581,280
Half-eagles	224,370,045
Quarter-eagles	28,770,880

The gold dollar—our unit or standard of value—was not authorized until the Act of March 3, 1849, and its coinage was discontinued by the Act of September 26, 1890. The total issue of gold dollars was only $19,499,337, an average of less than half a million dollars a year. They now command a premium for collections of coins.

A three-dollar gold piece was coined under the Act of February 21, 1853, but this did not prove acceptable and its coinage was discontinued by the Act of September 26, 1890. Only 539,792 coins were struck, having a value of $1,619,376.

The aggregate value of all the foregoing issues of gold coins, from the establishment of the mint in 1792 to June 30, 1897, is $548,840,918, as is shown by the following table:

Eagles	$274,581,280
Half-eagles	224,370,045
Quarter-eagles	28,770,880
Three-dollar pieces	1,619,376
One dollar pieces	19,499,337
Total	$548,840,918

There is one other gold coin of the United States which does not pass into circulation, is rarely or never seen by the people, and the question is often asked whether such a gold piece is now coined by authority of law or not; this is the "double-eagle" authorized by the Act of March 3, 1849, fifty-seven years after the date of the Act authorizing the coinage of eagles, half-eagles, and quarter-eagles. Notwithstanding that this coin came into existence so long after the others, the value of the gold coined into double-eagles from 1850 to June 30, 1897, as per Treasury Circular No. 143, is $1,337,498,040, or more than twice the value of all of the other issues of gold coins put together! Is this astonishing fact devoid of practical significance, or has it any important bearing upon the total amount of gold coin of this country in existence at the present day?

The circular issued by the United States Treasury Department, already referred to, says:

> "The total coinage of gold by the mints of the United States from 1792 to June 30, 1897, is $1,886,338,958, of which it is estimated that $671,676,250 is now in existence as coin in the United States while the remainder, $1,214,662,708, represents the excess of exports over imports and the amount used in the arts * It will be seen that more than two thirds of the gold coins struck at the mints of the United States have disappeared from circulation."

What has become of this vast store of American gold coin, amounting in value to $1,214,662,708?

* It is more advantageous for jewellers and electro-platers to use fine gold bars instead of coin, and they do so to a large extent.

It is interesting, at least, to note that this sum is nearly equal to the value of the entire issue of double-eagles to the end of the last fiscal year, viz., $1,337,498,040.

Is there any real relationship traceable between these figures, or is the resemblance merely an accidental coincidence? It is possible that the true significance of the resemblance may not be apparent to the reader at first glance, but the statement reveals a condition absolutely unique in the monetary history of nations.

The policy of all foreign countries, where gold is the standard, is to issue gold coins of convenient size and value for circulation among the people, the governments recognizing that the main purpose of a mint is to stamp pieces of money that are adapted to the uses of the people and not merely for the convenience of a few owners of bullion; the effect of issuing coin of such large denominations as the double-eagle, is, in the first place, to keep down the circulation of specie, second, to increase the use of paper money at home, and third, to facilitate the export of the gold coin to foreign countries where it is promptly recoined into smaller denominations for circulation among the people of those lands.

The annual report of the Director of the Mint for the year 1880, says [p. 4]:

> "In Great Britain the gold coinage consists almost wholly of sovereigns and half-sovereigns; in France, of twenty and ten-franc pieces, and in Germany, of ten-mark pieces, all of these coins being of less value than five dollars. The absorption by France of $1,100,-000,000 of gold imports into her circulation during the thirty years from 1850 to 1880, may in part be accounted for by the coinage of nearly all this gold into denominations of less than two and four dollars value."

Since the date of that official report the mints have coined double-eagles to the value of more than four hundred million dollars; none of these coins have gone into circulation—they are not adapted to that use—they have been promptly shipped abroad and largely converted into sovereigns, ten or twenty-franc pieces, ten mark pieces, or other foreign gold coins of a value less than five dollars.

Thirty-seven years ago the Director of the Mint said in his annual report for the year 1860:

> "Depositors of large amounts (of gold) call for coin in a form which gives least trouble to count; and banking institutions, in addition to that, may prefer it in a form not likely to be drawn out. Many who present their checks to these institutions would doubtless ask for specie but are deterred from doing so by the expectation of receiving double-eagles instead of half-eagles or quarter-eagles. In a word, the plain effect of issuing gold coins of a large size is to keep down the circulation of specie and increase the use of paper money."

This was only ten years after the commencement of the coinage of double-eagles and in the previous year (1859) their coinage only amounted to $13,782,840. In 1860 this coinage was increased to $23,584,400 and in 1861 to $74,989,060.* The total coinage of double-eagles since the date of the report here quoted amounts to more than a thousand million dollars in value.

The following table will show at a glance the large excess in value of double-eagles as compared with all the other denominations of gold coins in three recent calendar years:

	1894.	*1895.*	*1896.*
Double-eagles	$48,350,800.00	$45,163,120.00	$43,931,760.00
Eagles	26,032,780.00	7,148,260.00	2,000,980.00
Half-eagles	5,152,275.00	7,283,680.00	1,072,815.00
Quarter-eagles	10,305.00	15,297.50	48,005.00

The official circular from which these figures were obtained was issued before the end of the calendar year 1897, but the average coinage of double-eagles has been, for many years, more than twice the value of all of the other denominations of gold

* Calendar years.

coins added together. The coinage of gold during the fiscal year ended June 30, 1897, was as follows:

DENOMINATION.	Pieces.	Value.
Double-eagles	2,990,241	$59,804,820
Eagles	804,301	8,043,010
Half-eagles	747,802	3,739,010
Quarter-eagles	23,946	59,865
Total	4,566,290	$71,646,705

There is a provision of law that gives the depositor the option into what denominations his bullion shall be coined, but a modification of the law could and should be made limiting the proportion of large denominations of gold pieces permitted to be struck each year.

It should perhaps be stated, in order to prevent the possibility of misapprehension of the scope and limitation of this argument, that it has no reference to the export of fine gold bars assayed and stamped with the weight and fineness at the mints and Government assay offices, but is restricted to a theory of one cause of the disappearance of about two-thirds of all of the gold coins that have been struck at the mints of the United States.

It is, of course, evident to the student of economics and finance that the course of trade with foreign countries is not influenced in any appreciable degree by the particular denominations of gold coins struck in this or any other country. For example, if Europeans shall again sell our bonds, as they did so freely a few years ago, and shall demand payment in gold, as they then did, with perfect right; and if we shall have, in the future, seasons of poor crops, and shall have comparatively few commodities to sell in foreign markets, as has occurred more than once in the past, the golden stream will again flow in the opposite direction; nevertheless, the contention is here made—with what degree of force the reader must judge for himself from the arguments and illustrations—that the future policy of this Government should be to encourage the circulation of gold among the people by the issuing of gold coins of denominations suitable for distribution from hand to hand, in payment of debts of moderate amount, in preference to striking chiefly gold coins that are too valuable for common use.

Readers of this article may not be aware of the degree of ignorance prevailing among the working people of monetary principles which are of very elementary character; as an illustration an incident, which came to the writer's personal knowledge, may be mentioned. During the last presidential campaign a heated argument arose in the writer's hearing between a number of men upon the question of the "gold standard versus free silver." One of the speakers, a brawny Irishman, exclaimed with emphasis: "I can prove that this country isn't on a gold basis; I arrived here from the old country thirty year ago with three sovereigns in me pocket, and, since I sold them, divil a bit of gold have I laid me eyes upon!" How many of the American people ever do see any gold coin in circulation?

If the policy which has so universally prevailed in foreign lands of encouraging the use of specie had obtained in America since the return to specie payments in 1879, it would have been far more difficult for foreign countries to drain away our gold coin during the past several years.

Now that the tide has turned and a golden stream is flowing steadily toward this country, it would seem a proper time to call attention to the desirability of a reform in this important matter, which has been overlooked in the various discussions of ways and means to protect the Government and the people from continued exhaustion of the supply of gold coin. ALEXANDER E. OUTERBRIDGE, JR.

GERMANTOWN, PHILADELPHIA.

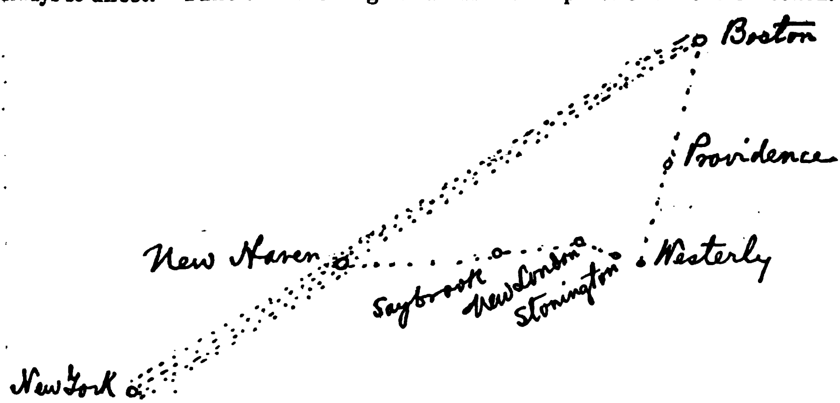
PRACTICAL BANKING DEPARTMENT.

HELPFUL HINTS DERIVED FROM EXPERIENCE.

THE PRACTICABILITY OF A CLEARING-HOUSE FOR COUNTRY ITEMS.

In 1877 the Boston Clearing-House Association investigated the subject of collecting country checks, and in 1888 recommended the organization of a New England Check Clearing-House. Nothing came of this effort nor (so far as I know) of other efforts elsewhere in the United States to apply the principle of clearing to country items, except in the case of the Long Island banks outside of Brooklyn. On the contrary the country checks of England and Wales have been cleared at London since 1860, and their Scotch items at Glasgow since 1883. The English method differs from the Scotch but the same end is reached in both cases. And the lesson of actual experience in Great Britain may be tritely summed up thus: To have a country clearing-house, establish one, be the method of operation what it may.

The present antiquated system of collecting country items in America is a source of more or less mortification to every banker. Even those who manage to profit somewhat by the prevailing confusion share the universal disgust, and only defend the continuance of the system from the purely selfish standpoint of personal advantage. The city check belongs to the age of locomotives and trolleys, whereas the *country* check on this side of the Atlantic is, in some respects, not yet abreast of the stage-coach days. In the good olden time, when the coach from New York turned into the Bowery, every mile of the old Boston post-road which it left behind brought it so much nearer its destination. The peregrination of a country check is not always so direct. Take the following remarkable example of circuitous collection.



CHECK FOR LESS THAN $50 ON STONINGTON, CONN.

Started at Westerly, R. I., six miles from Stonington, which it reached after many days and a thousand miles of travel by the following route: Westerly to Providence; Providence to Boston; Boston to New York; New York to Boston again; Boston to New York again; New York to New Haven; New Haven to Saybrook; Saybrook to New London, and New London to Stonington. It passed through Boston twice, New York twice and New Haven four times.

It is unnecessary to multiply examples. Every bank in the country can furnish them from its own experience. And every banker in his heart despises the system which tolerates them. There is no lack of disposition to reform the matter. But it is essentially a practical question. And the bankers, as a mass, have not yet taken the first step to its solution. That they could easily solve it I have every reason to believe from personal interviews, during the past two months with various bankers in Rhode Island, Connecticut, New York and New Jersey. In my opinion, country banking can and should be made the peer of city banking and placed entirely abreast of the times. Thus elevated and ennobled country banking would increase stupendously. To this end I would propose a clearing-house for country items.

SYSTEM IN OPERATION IN GREAT BRITAIN.

In England and Wales every country banker can make presentation of any number of checks drawn on any of about 2,100 country banking offices by sending one letter to his London agent; he can receive payment therefor by one line in his London banking account, and can in the same manner make due payment for any number of checks drawn upon himself. Every country bank has as London agent one of the London clearing bankers. Each country banker makes up daily all the checks drawn on other country banks which he has received and forwards them by the evening mail to his London agent, accompanying the parcel with a detailed list of the items. The London banker receiving them on the following morning, after examination of the parcels, sorts the checks according to the various clearing bankers as agents of the banks drawn upon, and delivers the assorted checks at the clearing-house. The meeting for this purpose is held daily from 12 noon till 2.15 P.M., that is at a time between the morning and afternoon deliveries of the town clearings; for in London deliveries are made from 10.30 A.M. to 12, and 2.30 to 4 P.M. The proof is made from 4 to 5; and when made the debtor banks pay their balances by check on the Bank of England, whereupon the creditor banks draw on the Bank of England for the amounts of the balances due to them, which are accordingly transferred to their credit. No balances of the country clearings are struck until the day next but one, when the head clearer of each bank in the London Clearing-House prepares a balance-sheet composed of the various balances he has to pay or to receive on account of the checks exchanged two days before. The final balance between his own bank and the clearing-house is carried forward as an item in the general balance-sheet prepared at the close of the day's town clearing. On the first day, when the exchanges are made, the checks received by each are taken from the clearing-house to the office and sorted afresh according to the banks on which they are drawn. They are then entered in books and mailed without delay, accompanied by lists. The country bankers receiving them the next morning have the whole day for examination, and then, in the daily letter to their London agents, advise them to debit their account with the total. On receipt of this advice the London bankers are able to make payment at the clearing-house as already described. Unpaid checks are returned through the post by the banker refusing them direct to the banker whose name is stamped across them, and the particulars communicated to the London agents, who claim the amounts from the agents of the bankers to whom they have been returned.

The economy of currency effected by the clearing of country checks in England is considerable, but the economy of labor is even greater, and still more important is the expansion in the business of the country bankers rendered possible by it, as it has enabled them to offer to their customers facilities in respect of the negotiability of their checks almost equal to those enjoyed by customers of London banks. No official figures are available to show the total amount of the checks included in the country clearings, but it is believed that they at present amount to as much as the town clearings, though the average value of each check which passes through the country clearing is far smaller than that of the checks which pass through the town clearing.

OUTLINE OF A PROPOSED PLAN.

The practicability of a clearing-house for country items has thus been daily demonstrated in London for upward of forty years. Would not the same plan be practicable in the United States? The first point to consider is the greater size of this country. In regard to that, it must be remembered that the bankers of Great Britain are separated for clearing purposes into two groups—the Scotch and the English, the latter including the Welsh banks. To apply the London plan to American banks they would have to be grouped into numerous divisions of convenient size with a single clearing-point in each division, as Boston, New York, Cincinnati, Chicago, etc. The practicability of having clearing divisions is completely established in Great Britain. Whether the divisions be two, ten or twenty, the principle is the same. Therefore, the mere size of this country is no obstacle to the application here of methods which have been so successful there.

The Boston division would probably include all the States of New England except Connecticut, which would doubtless prefer to be in the New York division. Suppose that every bank and trust company in Maine, New Hampshire, Vermont, Massachusetts and Rhode Island selected and named some Boston bank as its clearing agent in that city. In cities where there were clearing houses, items on the local banks would be exchanged as usual. But at the close of business daily every bank in the division would duly list all the items drawn on other banks in these five States, and mail them for collection to its clearing agent in Boston. The clearing agent the next morning would sort them according to the clearing agents of the banks on which they were drawn, and pass them through the clearing-house, receiving in return all the items drawn on the banks for which the clearing agent acted. These items the clearing agent would, after duly listing them, forward without delay to the banks on which they were drawn. Unpaid checks would be returned by mail directly to the banks which sent them in for collection. The clearing agent would be daily advised of these returns and make reclamation of the clearing agents from whom they were received. Balances would be paid the next day but one after the items passed through the clearing-house. Obviously this portion of the plan is as practicable in Boston as in London, as practicable in New England as in old England.

A different course is pursued in the collection of Scotch items for English banks. This is conducted at Glasgow through the Union Bank of Scotland, to which bank all such items are sent. That is to say, in Great Britain all the items drawn on banks which are outside of the English division are collected through a single Scotch bank. Any items drawn on the branches of this Scotch bank are forwarded by it to those branches. The other items received from the English division for collection are put through the Glasgow Clearing-House and thus presented to the other members or through them to their branches. Unpaid checks are returned through the Union Bank of Scotland. The various Scotch banks settle twice a week. The bank with which all the other banks have to settle is not always the same, one or two of the leading banks taking it in turn to be the settling bank. The Union Bank of Scotland settles with the English bankers by drafts on its London office every Thursday.

To reproduce this arrangement by which items received in one clearing division are collected in another; suppose that in New York the Chase National Bank, which is said to be the correspondent of some 1,600 banks, should undertake to collect all items on the New York division for the banks of New England in the Boston division. These banks would send all the items they received drawn on banks in the New York division to the Chase National Bank of New York city. The Chase National Bank would collect them from its correspondents if drawn on them, or through other members of the New York Clearing-House whose correspondents were drawn upon. Of course it is assumed that every bank in the New York division would have a clearing agent in the city of New York. According to this Scotch plan the banks in the New York division would settle for these items twice a week; and the Chase National Bank would settle weekly with the banks in the Boston division. Unpaid checks would be returned through the Chase National Bank.

Similar arrangements might be made with some bank at the clearing point of each division throughout the country. The banks in the Boston division might send checks for collection either to these banks that collected for other divisions or to the Chase National Bank, if the latter undertook to forward them to all the clearing points of other divisions, in which case the period allowed for settlement would have to be longer than a week.

Difficulties to be Overcome.

An unquestionable advantage of the London and Scotch methods is that they have been tried for years and found practicable. After all, the great thing is to establish a clearing-house for country items upon some plan or other. According to my observation only two stumbling-blocks need to be considered. The first is the unwillingness of some banks to relinquish charges for exchange or their equivalent—the use of money by delayed settlements. This obstacle has been very ingeniously removed by Mr. Walter E. Frew, President of the Queens County Bank, Long Island City, New York, which for the past eight years has collected items on the Long Island banks outside of Brooklyn. These twenty-five banks are divided in three classes: those that redeem their checks at par, those that charge one-fortieth of one per cent., and those that charge one-twentieth of one per cent. The plan is as follows: The clerks in this department of the Queens County Bank are at the bank at 7 A.M. to attend to it. The checks to be collected are received in the early morning mail from New York city and other banks. By 9 A.M. all the checks on the Long Island banks are mailed to their destination, and drafts are received in payment of these checks by the Queens County Bank either the night of the same day or early the following morning. The drafts given by banks which charge for an immediate remittance are naturally for the amounts of the checks received less the charge for exchange. To cover these expenses of exchange, which the Queens County Bank is obliged to pay some of the Long Island banks, as well as stationery, clerk hire and supervision, this collecting or clearing bank charges the banks that send checks for collection a small rate of exchange.

The only other obstacle to be considered arises from a misapprehension as to the effect that the establishment of a country clearing-house would have upon the matter of due diligence in the presentation of checks.

In general, what is a reasonable time will depend upon circumstances, and will in many cases depend upon the time, the mode and the place of receiving the check and upon the relations of the parties between whom the question arises. If the bank on which the check is drawn be in the same place where the payee receives the check, it should be presented for payment within banking hours on the day it is received or on the following day. If in the mean time the bank fails, the loss will be the drawer's. If the bank be not in the same place where the payee receives the check, then it should be forwarded by mail on the next secular day after its receipt for presentment. If theperson to whom it is forwarded presents it for payment on the day after it has reached him by due course of mail, it will be sufficient. Suppose a bank in Springfield, Mass., belong to the Boston division of a general country clearing-house received a check on Plymouth, Mass., another on Derby Line. Vt., and a third on Thompsonville, Conn. On the same day the first two would be sent to Boston and the last one to New York, assuming that Connecticut belonged to the New York division. This would be a day earlier than the bank would be required by law to present them by mail. The next day they would be mailed from Boston to Plymouth and Derby Line, and from New York to Thompsonville. If on this next day they had been mailed direct from Springfield to Plymouth, Derby Line and Thompsonville, the persons to whom they had been forwarded would have had still another day to present them for payment after their arrival by due course of mail. This last delay which the law permits without question would be unnecessary if the checks passed through the county clearing-house; for they would be presented at the banks where payable instead of merely being received by persons who would have another day in which to present them.

A country clearing-house on the English and Scotch models, then, would always effect the presentment of checks within the time which the law permits in every case. Practically, under the operation of such a clearing-house, the question of due diligence could never arise, as there would be a constant economy of time in the presentment of checks compared with the requirements of the law.

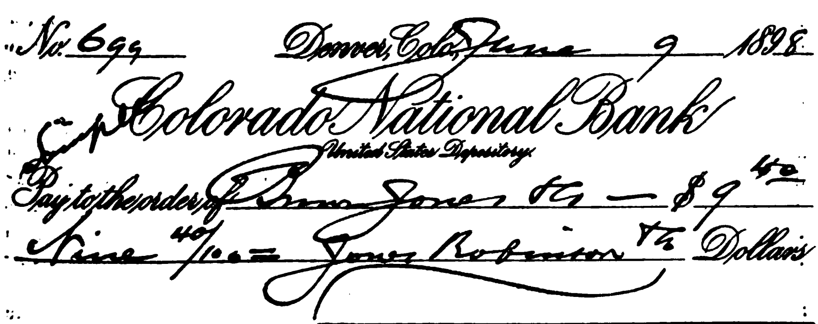
As the object of this article is to show the practicability of a clearing-house for country items in the United States, and as its practicability is essentially proven by the success of the system of their collection in Great Britain, I have refrained from submitting or trying to support my personal view that the methods of London and Glasgow could be improved, and that a country clearing-house of a superior nature should be established in America. The main point is to have a country clearing-house. One of the English and Scotch sort would be infinitely better than none. And one of that sort might be established in a few weeks if the bankers of this country would form clearing divisions composed of States, and every bank selected some bank at the clearing point of its division as its clearing agent for the collection of all items payable in the division, except such as were collected locally. Arrangements to collect items in other divisions might be made later.

James C. Hallock.

Westerly, R. I.

TO PREVENT THE RAISING OF CHECKS.

The losses to banks on account of raised checks must be very large in the aggregate, though with some exceptions the raised checks that go through the banks are



for small amounts. This fact often prevents any punishment from falling on the check-raiser, for when the bank victimized is a large one and the amount lost small, the bank is apt to bear the loss rather than to undergo the annoyance and publicity likely to arise in catching and convicting the forger.

Many suggestions have been offered for the prevention of check-raising, some of them valuable, but none perfect. The idea suggested in the engraved check herewith presented would no doubt tend to prevent many attempts at check raising, especially by those not skilled in the business; though it would not, of course, be impossible for an expert to raise a check thus filled out, it would make the work somewhat more difficult. It would certainly be a considerable hindrance to the operations of the non-professional in this field of rascality.

As it is the small checks which are usually raised, it is suggested that on the line containing the amount for which the check is drawn, the name of the drawer be written. This will make it practically impossible to raise the amount of the check, without forging the signature and transferring it to the line below—an operation not usually within the ability of an amateur forger.

IS THE BANK OF SPAIN SOLVENT?

The position of the Bank of Spain at the present moment is of world-wide interest. Upon the Bank's ability to finance the Spanish Government depends the continuation and duration of the war. * * * The longer the war is protracted, and the more bank notes that are issued, the greater will be the permanent effect upon Spanish finances. * * *

It is now practically impossible for Spain to raise money abroad on any conditions other than selling actual property. With the foreign markets closed, Spain must therefore raise money at home; and apparently this can be done only by increasing the note circulation of the Bank of Spain.

A few weeks ago the Bank was authorised to increase its note circulation from 1,500,000,000 pesetas to 2,500,000,000 pesetas. And a fortnight ago it was authorised to issue on behalf of the Spanish Government 1,000,000,000 pesetas of Internal bonds. As these bonds cannot be sold, it is evident that the object of permitting the Bank to increase its note circulation by 1,000,000,000 pesetas was to enable it to issue notes to the Government in exchange for the bonds.

Practically, therefore, the Spanish Government is now reduced to the expedient of using the printing press to meet its war outlays. And the longer that printing press is in operation and the more notes that are issued, the greater will be the depreciation in the value of the paper peseta. If the war lasts much longer we may thus see the paper peseta, which is now at a discount of nearly fifty per cent. as compared with gold, depreciate as did the assignat in France at the close of the last century.

A formal suspension of specie payments cannot be long delayed; indeed, at the present time suspension has practically occurred. The Government has prohibited the export of silver coin, and has intimated that the tender of notes for silver would be regarded as an act of hostility, rendering those who endeavored to exchange notes for silver liable to prosecution. Hence, *de facto*, specie payments are suspended.

What now remains to be seen is the amount of notes which will be issued against almost worthless Government securities, and the extent of the depreciation in the gold value of the peseta. That the depreciation will be very great unless the war is quickly ended is clear from an examination of the position of the Bank of Spain. At the present time the note circulation reaches 1,318,000,000 pesetas. Against this the Bank is represented to hold 245 838,000 pesetas of gold, 105,700,000 pesetas of silver, and 138 020,000 pesetas in balances abroad. But the gold in the Bank of Spain is the fund which the Government must rely upon in extreme need, and were there any indication that it was being drawn upon a most acute panic would arise. It would then become patent to the Spanish people and to the world at large that Spain was without credit, and was in danger of being without any money whatever. The gold reserve is, therefore, not an available asset against the note circulation. Judging by the action taken to stop the presentation of notes for silver, the silver reserve of 105,287,000 pesetas is also unavailable. And the balances abroad are required for the war and for meeting the July coupon on the foreign debt. We have thus a note circulation of 1,318,000,000 pesetas without any coin reserve available for redeeming it; and, further, we have the possibility that such note circulation may be increased to 2.500.000.000 pesetas.

Apart from Government securities, which have now become so greatly depreciated, the Bank holds very few securities. The discounts are represented to be 792,540,000 pesetas, the advances 96.968.000 pesetas, and Government securities 902,941.000 pesetas. The "discounts," however, include the sums advanced to the Cuban Government for carrying on the war. Out of the 792,000,000 pesetas, only some 100,000,000 pesetas consist of bills discounted; the remaining 692,000,000 pesetas are Cuban bills. Hence the trade discounts and advances are less than 200,000.000 pesetas.

It must also be borne in mind that, besides the note circulation, the Bank has 646,348,000 pesetas of current accounts and 44.337.000 pesetas of deposits; that it has 36,088,000 pesetas of miscellaneous obligations, and that it has borrowed 82,625,000 pesetas on securities. It therefore has a total of over 800,000,000 pesetas of other liabilities, some of which it will be bound to meet. Were the Bank's assets valued on British banking principles, very little security would be found to exist against the already colossal note circulation.

We set out below the assets and liabilities. It will be seen that Government securities now form 68 per cent. of the total assets, and that they exceed the note issue by over 20 per cent.

ASSETS.	*Pesetas.*	*Pesetas.*	*Percentage of total assets.*
Gold		245,838,000	10.6
Silver		105,701,000	4.5
Balances with foreign agents		138,020,000	5.8
Total liquid assets		489,559,000	20.9
Discounts (about)	100,000,000		
Advances on securities	96,963,000		
Total discounts and advances		196,968,000	8.3
Discounts of Cuban Government bills (about)	692,540,000		
Spanish Government securities	902,941,000		
Total Cuban and Spanish Government securities		1,595,481,000	67.9
Miscellaneous assets		67,129,000	2.9
Total		2,849,187,000	100.0

LIABILITIES.	*Pesetas.*	*Pesetas.*
Notes in circulation		1,318,409,000
Current accounts	646,348,000	
Fixed deposits	44,338,000	
Dividends, interest, and other obligations	36,038,000	
Loans on securities	82,625,000	
Total deposits, loans, etc		809,899,000
Product of taxes allocated to repayment of the public debt		34,344,000
Miscellaneous		1,242,000
Total liabilities other than capital and reserves		2,163,398,000
Capital of the Bank	150,000,000	
Reserve	15,000,000	
Profit and loss	20,744,000	
Total capital, etc		185,744,000
Total liabilities		2,349,187,000

In a little over three years the Spanish and Cuban Governments have borrowed nearly 1,000,000,000 pesetas from the Bank, and the strength of the Bank has suffered in proportion.—"*The Statist*" (~~London~~), *June 18.*

OUR TRADE WITH CHINA.

The rapid growth of our commerce with China, a subject just now attracting especial attention, is shown somewhat in detail by a series of tables in the latest number of the Summary of Finance and Commerce, issued by the Bureau of Statistics.

These tables show that our exports to China in the year just ending will be about four times as much as in the fiscal year 1890 and more than three times as much as in 1895.

The exports from the United States to China in 1895 were $3,603,840 and in the fiscal year which ended with June 30 promise to be in round numbers $11,000,000.

But for the fact that there has been a reduction during the past year in the values of many articles exported, the figures for the present year would be considerably greater than the sum named. The exports of mineral oils, for instance, have increased this year more than 4,000,000 gallons over last year, but by reason of the decrease in price, the total cash value falls considerably below that of last year.

In nearly all the articles exported from this country to China there has been an increase in quantity in the fiscal year 1898 compared with 1897 or any preceding year. In bicycles, for instance, the exports to China for ten months of the present fiscal year amount to $24,606 against $11,444 in the corresponding months of last year. In telegraph, telephone and other instruments of this class the exports of the ten months are $22,874 against $3,940 in the same time last year. Carriages and cars increased from $1,632 in the first ten months of last year to $28,603 in the corresponding months of this year; fruits and nuts from $13,004 last year to $28,591 this year; canned beef, from 90,984 pounds in ten months of last year to 156,718 pounds in the same time this year; bacon, from 18,002 pounds to 30,375 pounds; hams, from 46,033 pounds to 58,859 pounds; butter, from 16,311 pounds to 20,085 pounds, and other articles in like proportion. In cotton cloth there is a reduction of about twelve per cent. compared with last year, though the total number of yards this year will be nearly double that of 1896 and more than three times as much as in 1895.

Our sales to China this year will show an increase of more than three hundred per cent. over those of 1889, while our imports from that country show an increase of but thirty-five per cent. in the same time. Our exports of merchandise to China in the present fiscal year are ten fold those of the fiscal year 1880, the total for that year being $1,101,383, while that of 1898 is likely to be $11,000,000 in round numbers.

Our total exports to all Asia this year will amount to about $45,000,000, being a gain of ten per cent. over last year, more than double what they were in 1890, four times what they were in 1880, and more than ten times what they were in 1870. Of this total of $45,000,000 about one-third goes to China (in part by way of Hong Kong), one third to Japan, and the bulk of the remaining third to India and the East Indies. In this calculation of distribution it is assumed that the bulk of the imports into Hong Kong, which are always heavy, are for China, the "Statesman's Year Book" saying of the business of that port, that it is "virtually a part of the commerce of China."

The following table shows the leading articles exported from the United States to China in the last fiscal year compared with those of the preceding year.

Exports of Domestic Merchandise from the United States to China in the Fiscal Year 1897 Compared with 1896.

	1897.	1896.
Clocks and watches	$31,242	$13,058
Provisions	45,640	50,191
Wheat flour	72,100	45,815
Wood and manufactures of	113,499	154,945
Tobacco, manufactures of	239,956	192,138
Iron and steel, manufactures of	333,007	84,398
Mineral oils	3,371,967	2,166,978
Cotton cloths	7,438,208	3,854,146
All other articles	281,304	359,467
Total	$11,916,888	$6,921,136

The following table shows the total importations into China from all parts of the world by leading articles in the year 1896:

Total Imports into China, 1896.

Cotton, raw	$1,056,844	Sugar	$5,657,318
Flour	1,216,568	Mineral oils	6,751,281
Ginseng	1,308,578	Rice	12,137,759
Machinery	1,668,078	Opium	23,150,486
Fish and fishery products	2,527,623	Cotton goods	64,028,692
Coal	2,868,701	All other articles	39,309,520
Woollen goods	4,333,420		
Iron and steel, manufactures of	4,981,516	Total	$170,991,384

The following table shows the value of our exports into China, Japan and all Asia since 1880:

Total Exports of Merchandise from the United States to China, Japan and all Asia, from 1880 to 1897, inclusive.

YEAR.	China.	Japan.	All Asia.
1880	$1,101,383	$2,552,888	$11,645,708
1881	5,447,680	1,468,976	12,917,348
1882	5,895,983	2,540,664	18,398,671
1883	4,080,822	3,376,434	16,848,749
1884	4,626,578	2,528,529	16,913,778
1885	6,396,500	3,057,415	20,739,972
1886	7,520,581	3,135,533	21,980,999
1887	6,246,626	3,335,592	19,822,172
1888	4,582,585	4,214,382	18,929,152
1889	2,791,128	4,619,985	18,439,626
1890	2,946,209	5,232,643	19,696,820
1891	8,701,008	4,807,693	25,558,808
1892	5,663,497	3,290,111	19,590,350
1893	3,900,457	3,195,494	16,222,354
1894	5,862,426	3,986,815	20,872,761
1895	3,603,840	4,634,717	17,825,057
1896	6,921,933	7,689,685	25,630,028
1897	11,924,433	13,255,478	39,274,905

The figures for the fiscal year 1898 will show a decided increase in our exportations to Asia, especially Japan; that to China may be slightly less than last year for reasons above indicated.

VOUCHED FOR BY HIS BANKER. — The frankness of Texas is one of its charms. A Boston merchant recently received a letter from a Texan, in which he excused himself for slowness in paying up by describing the hard times in his town. He closed thus: "Confirming what I have written above, I inclose a letter from the President of the bank in which for several years I have kept my overdraft."—*Boston Journal.*

TAXATION OF BANKING CAPITAL IN MISSOURI.

[Paper by Hon. Leslie Orear, Marshall, Mo.; read before the annual meeting of the Missouri Bankers' Association, at Cape Girardeau, May 18, and awarded a prize of $100.]

The fact that there exists in this State a gross inequality in the assessment of personal property in the various counties, by those whose duty it is to equalize assessments, has led to much controversy and to a just dissatisfaction with the existing methods of imposing taxes upon such personal property.

This grows out of the fact that in violation of the spirit of the organic law, if not its direct mandates, personal property has not been taxed in proportion to its value. Section 4, Article X of the State Constitution, is to the effect that all property shall be taxed in proportion to its value. This does not simply mean that the rate shall be uniform, but it also contemplates that the law-making power shall provide means for ascertaining the proportionate values of property. It could not be said that the requirements of this section are fulfilled when horses and cattle are valued higher for taxation in proportion than sheep and hogs. The best interpretation to be given this section is that the framers of this law meant to declare that the burden of government should be fairly divided and equally borne. That the Legislature itself should cause all public taxation to be fair and equal, in proportion to the value of the property, so that no one class of individuals or one species of property may be unequally or unduly assessed. This constitutional provision has been steadfastly held to, ever since the State was formed. The Legislature has made repeated efforts, with indifferent success, to observe this principle. It has seemed to recognize the elementary doctrine, that taxes are the enforced proportional contribution of each citizen and his estate, levied by the authority of the State for the support of the Government—that they should be regular, uniform and equal, in so far at least as it may be practically done.

The courts of last resort, not only in this State but in all of the States, speak of the principle that "Equality is Equity" and at the same time declare that absolute and perfect equality of taxation is not attainable, for the reason that the taxing power is vested in the Legislature, and therefore the occasions and mode of exercising it are within the discretion of the law-making authority, except as restrained or limited by the Federal and State Constitutions.

Unequal Taxation and the Remedy.

The unequal distribution of the burden of taxation imposed by the existing law grows out of the mode of exercising the taxing power, and can only be remedied by an appeal to the source of that power to provide a machinery for ascertaining true values and equalizing those values according to the facts as they may be gathered by the functionaries whose duty it is to adjust taxation among the several counties.

The Constitution of Missouri contemplates equality of taxation as nearly as it can be attained. To that end it is provided, by Section 18, Article X, that a State Board of Equalization shall be established consisting of certain officers whose duty it shall be to adjust and equalize the valuation of real and personal property among the several counties in the State, and it shall perform such other duties as are or may be prescribed by law.

The first clause of that section is self-enforcing; that is, it does not need legislative enactment to carry its provisions into operation. The second clause is inoperative, because the Legislature has not defined any other duties to be performed by the Board of Equalization, and without some statute declaring specifically what powers and duties such board may be clothed with, in addition to "Equalizing the valuation of real and personal property among the counties," the board cannot correct manifest or gross inequalities in the assessment of personal property, in specie, in the several counties. The Legislature in attempting to enact a law on this subject (Section 7514, Revised Statutes of 1889), passed an Act that was simply declaratory of the self enforcing power conferred by Section 18, Article X, *supra;* it neglected to enlarge upon the duties of the Board of Equalization, as it might have done legally.

By a further enactment it is provided by law, that a county board of equalization shall perform like duties as those imposed by the State board, limiting their investigations and jurisdiction, however, to the adjustment and equalization of values of real and personal property within their respective counties. (Section 7517, Revised Statutes of 1889, *et seq.*)

Having ascertained by a review of these provisions of the Constitution and the legislative enactments thereunder, that the general purpose and intent of the law-givers has been to secure a uniform and equal system of imposing taxes upon ascertained values, we are led to inquire into the causes for failure to secure that end, and if possible suggest such corrections in the existing law as may most readily meet the desired end, and avoid the present conditions.

The duties and powers of the State and county boards of equalization, respectively, are purely judicial in their nature; but unlike all other tribunals established by law exercising those functions, there is no provision of law for reviewing their acts and decisions. Being limited in their inquiry and not having been provided with compulsory process for securing the attendance of witnesses, books and papers, it seems should furnish a sufficient argument why their proceedings and judgments ought to be reviewable in some forum possessing larger powers.

By reason of the judicial interpretation placed upon the enacted law on the subject and the provisions of the Constitution, the State Board of Equalization has expressed itself as powerless to afford relief, though the necessity for further legislation is fully recognized by that body. It has expressed a willingness to treat all property-holders fairly, if clothed with the power to do so.

That this end may be accomplished it will be necessary to appeal to the law-making power of the State, to provide such statutory enactments that unjust discrimination may be avoided.

When it comes to imposing the just obligation upon all citizens to contribute proportionately of their means to the support of the Government, it seems that such appeal would not be in vain.

Present Law Should Be Amended.

I would recommend that Sections 7512, 7514 and 7519, of the Revised Statutes, be amended along these lines, viz.:

That Section 7512 shall be amended so as to read as follows:

"Such board shall have power to send for persons and papers, to administer oaths through its officers or agents, and to take all evidence it may deem necessary to ascertain the value of the property, real and personal, in the counties, and to adjust the values of such property to its true value as compared with the average valuation of all the real and personal property in the several counties."

Section 7514 should be amended by inserting the words "or any class of such property" after the word "personal" in the eighth and eleventh lines of said section, so that as amended said section would read as follows:

"Section 7514—*Property, How Equalized.*—The State Auditor shall lay before the board the abstracts of all the taxable property in the State, and the abstracts of sales of real estate in such counties, as returned to him by the respective county clerks and the President of the Board of Assessors for the City of St. Louis, and the board shall proceed to equalize the valuation thereof among the respective counties in the following manner, to wit: First, they shall add to the valuation of the property, real or personal, or any class of such property, in each county which they believe is valued below its true value in money, such per centum in each case as will raise it to its true value; second, they shall deduct from the valuation of the property, real or personal, or any class of such property, of each county which they believe to be valued above its real value in money, such per centum as will reduce the same in each case to its true value."

Then a new section should be added to the law of assessments by proper legislative enactment in effect as follows:

Section 7521*a*.—Any person who shall deem himself aggrieved by the order of the county board of equalization fixing the value of any property for taxable purposes may appeal from such order to the State Board of Equalization, which shall hear and determine the matter anew, and the decision of said board upon such appeal shall be final, and shall be reported to the county clerk of the county where such property is made taxable, and such county clerk shall adjust the tax books according to such report.

If such legislation could be had it would reduce the possibility of unjust and onerous assessments to a minimum, and thereby furnish an ample safeguard for equitable assessments.

It may be suggested that the same result may be attained by use of the writ of *certiorari* in the circuit court of the several counties. In treating of this subject I have not overlooked the fact that this writ may be employed in correcting assessments which have been erroneously made, but after careful consideration it is believed that the evils of unjust discrimination cannot be corrected in that way. The practice in the courts and the history of the writ show that is use is limited. The writ can only to serve to bring up the record of the board of equalization, and it can only be corrected as to matters of form, for errors apparent upon the face of the record, and does not confer jurisdiction upon the court to review the judgment of the board in matters of discretion. Thus it will be seen that the use of this writ could not afford adequate relief, and is not to be recommended on that account.

In treating of this subject I have endeavored to deal with the conditions as they exist, without making severe comment upon the causes that have led to these conditions. The subject of taxation admits of no poetic treatment, neither is there room for romance, and in considering this question practical business methods and a sense of obligation to the State can alone be successfully invoked. I have made these suggestions in the light of the history of legislation in this State upon the subject, which discloses so far, that the law-making power of the State, and the decisions of the courts upon these laws, have been impelled by a sense of fairness and justice; and where manifest injustice is done by the operation of any of these laws the Legislature can be successfully appealed to for the enactment of such laws as will continue to recognize the established policy of "equal rights to all and special privileges to none." I have concluded that the mischief does not lie in the policy of the laws of this State enacted on this subject, but arises from want of such legislation as will best carry this policy into practical effect.

HIS FINANCIAL VIEWS.—"I say, Bridget, is your beau a gold or a silver man?" asked the head of the house.

"Sure, he's neyther," answered the cook, who was in love with a policeman; "he's what you call a copper man, sur."—*Yonkers (N. Y.) Statesman.*

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.

RECEIVER—RIGHT TO MAINTAIN ACTION—DIRECTORS—LIABILITY OF—INCREASE OF CAPITAL STOCK—PURCHASE OF REAL ESTATE BY NATIONAL BANK—OPERATION OF MILLS.

United States Circuit Court of Appeals, Eighth Circuit, April 11, 1898.

COCKRILL *vs.* ABELES, *et al.*

A Receiver of a National bank has the right to maintain an action in his own name against the directors or managing officers to recover for losses which may have been sustained by the bank or its creditors through their wrongful or fraudulent acts, or in consequence of a gross neglect of their official duties.

When the capital stock of a National bank is increased the law requires an amount of additional capital equal to the increased stock to be actually paid in or contributed; and the law does not sanction any shifts or devices whereby the stock of a bank is increased without a corresponding increase of actual capital.

The new stock is an asset of the bank which the directors have no right to issue except for money or its equivalent; and if they dispose of the same otherwise they will be liable to the bank for its value.

Where a National bank has lawfully acquired an undivided interest in real estate in satisfaction of a debt, it may lawfully purchase other undivided interests in the property, and discharge liens or incumbrances existing thereon, provided such action is necessary to enable it to manage or dispose of the property to better advantage.

The directors have no right to embark the funds of a bank in a manufacturing enterprise, and, if they do, they are liable for any loss resulting to the bank therefrom.

This was a bill in equity by the Receiver of the First National Bank of Little Rock, Ark., to recover from the directors of said bank for losses resulting to the bank from certain alleged illegal acts.

Before Sanborn and Thayer, Circuit Judges, and Phillips, District Judge.

THAYER, *Circuit Judge:* It is well settled that a Receiver of an insolvent National bank represents both the corporation and its creditors. He is a statutory assignee of all its property and effects, and is therefore entitled to sue in his own name to recover the same, and to enforce all the rights of the corporation without making the corporation or its creditors a party to such suits. (*Kennedy* vs. *Gibson*, 8 Wall. 498, 506; *Bank* vs. *Kennedy*, 17 Wall. 19; Rev. St. U. S. § 5234.)

The Receiver of an insolvent bank or other corporation, who has been duly appointed under the provisions of a statute to wind up its affairs and distribute its assets among creditors and stockholders, also has the right to maintain a suit in his own name against unfaithful directors or other managing officers, to charge them with responsibility for losses that may have been sustained by the corporation and its creditors through their wrongful or fraudulent acts, or in consequence of a gross neglect of their official duties. (*Briggs* vs. *Spaulding*, 141 U. S. 132; *Gillet* vs. *Moody*, 3 N. Y. 479; *Bank* vs. *Johnson*, 8 Wend. 645; *Alexander* vs. *Rolfe*, 74 Mo.

495; *Movius* vs. *Lee*, 30 Fed. 298; Thomp. Corp. §§ 4121, 6946, 6947, and cases there cited.)

It is also well settled that when the capital stock of a National bank is increased the law requires an amount of additional capital equal to the increased stock to be actually paid in or contributed. The provision to that effect found in section 5142 of the Revised Statutes was intended to prevent the watering of stock, and to give the creditors of a bank whose shares of stock are increased additional security to the full amount of the par value of the new stock. The National Bank Act does not sanction any shifts or devices whereby the stock of a bank is increased without a corresponding increase of actual capital. (*Aspinwall* vs. *Butler*, 133 U. S. 595, 608; *Delano* vs. *Butler*, 118 U. S. 634.)

There can be no doubt then that the scheme devised by the appellees, who were the directors of the bank, to increase its stock as the same is described in the bill, was wholly unauthorized by law; and if the acts done resulted in a loss to the bank, and through it to the bank's creditors, considered as a body, the directors, or so many of them as participated in the scheme, are clearly liable for the loss.

With respect to the stock dividend of $125,000 which was based on a fictitious valuation of certain property of the bank, it is said that it did no harm to the bank or its creditors because the bank parted with none of its assets; and with respect to the increase of stock based on the notes of its directors it is said that the bank actually realized about $75,000 in money from the sales of that stock, and was benefited to that extent, and that the disposition made of the residue of that stock did no harm. This contention, however, overlooks the fact that after the resolution to increase the stock to the amount of $250,000 had been adopted the stock itself was an asset of the bank, which its depositors and creditors were entitled to have dealt with as the law directs. It was a trust fund which the directors had no right to issue except for money or something equivalent to money. (*Sanger* vs. *Upton*, 91 U. S. 56, 60; *Wood* vs. *Dummer*, 3 Mason, 308, Fed. Cas. No. 17,944; *Foundry Co.* vs. *Killian*, 99 N. C. 501; *Moses* vs. *Bank*, 1 Lea, 398; Thomp. Corp. §§ 1562, 1606, 1608; Mor. Priv. Corp. §§ 780, 781.) If the directors had treated the new stock as a trust fund, and had disposed of it for money or its equivalent, it is obvious that the capital of the bank would have been largely increased, and that such increase of capital would have afforded its creditors greater security. It is possible of course that purchasers could not have been found for an amount of stock in excess of the 750 shares actually sold, if payment of the par value thereof had been exacted in money. It is also possible that if the stock had been sold in the manner provided by law the money received therefor would have been wasted in reckless ventures, and would not have inured to the benefit of the present creditors of the bank. But we are not at liberty to assume, in the absence of any evidence to that effect, that such would have been the result and, on the faith of that assumption, decide that no one was injured by the unauthorized acts of the directors. In the absence of proof to the contrary it must be presumed that the new stock might have been sold for its par value; that a valuable asset was in fact lost by the wrongful conduct of the directors; and that the creditors of the bank thereby sustained a substantial injury.

The other transaction whereby 1,250 shares of stock of the par value of $125,000 were issued, based on the notes of the directors which they never intended to pay, seems to have been no less detrimental to the interests of the bank and its creditors. About five or six hundred shares of that stock, according to the averments of the bill, were ultimately issued to the President of the bank, who sold and hypothecated the same, probably to innocent holders, to discharge or secure his individual debts. For these shares the bank received nothing but fictitious and worthless notes which the directors had agreed should never be enforced against the persons who had executed the same. An innocent purchaser of the stock in question could not be made to respond to the bank or its Receiver for the amount unpaid thereon, but would be entitled to insist, as against the creditors of the bank and its other shareholders, that the stock was what it professed to be on its face, namely, full-paid stock. The same would be true of the shares that were issued as a stock dividend to the old stockholders. Many of those shares have doubtless been sold to persons who, if sued for the amount due thereon which has not been paid, would be entitled to claim exemption from liability on the same ground, namely, that they bought them in good faith as full paid stock, and that neither the bank nor its Receiver should be heard to allege the contrary. (*Foreman* vs. *Bigelow*, 4 Cliff. 509, 9 Fed. Cas. 427; *Steacy* vs. *Railroad Co.* 5 Dill. 348, Fed. Cas. No. 13,329; *McCraken* vs. *McIntyre*, 1 Duv. [Can.] 479; *Bridge Co.* vs. *McCluney*, 8 Mo. App. 496; *Burkinshaw* vs. *Nicolls*, 3 App. Cas. 1004; Thomp. Corp. § 1680.)

In view of these considerations we are of the opinion that the bill shows not only that the directors acted in open violation of the National Bank Act, and therefore unlawfully in the various proceedings taken by them to increase the stock of the bank, but that, by reason of the wrongful acts in question, a considerable amount of the stock has been dissipated and lost from which the corporation should have realized its par value in money. In other words the case made by the bill is not one in which the directors appear to be liable merely for nominal damages because of certain unlawful acts by them done and performed, but it is one in which it appears that such unlawful acts have resulted in the waste of a valuable asset and in a substantial loss to the bank and its creditors.

It may be, as we have heretofore suggested, that the directors will be able to show that the increased stock could not have been sold for money or its equivalent; that the stock would still be in the hands of the bank and unsold if it had not been disposed of in the manner aforesaid; and that neither the bank nor its creditors have sustained any actual damage in consequence of the fraudulent and unlawful acts charged in the bill.

We think, however that we cannot indulge in such presumptions as these, and that it is incumbent on the directors to allege and prove such facts if they seek to avoid liability for their wrongful conduct on that ground.

It is further claimed by the appellees that they are not liable for the loss sustained in the Quapaw Mills transaction, because they acted in that matter not unlawfully but in good faith, and with intent to benefit the bank. It is said in substance that the bank had been compelled to accept a little more than a four-fifths interest in the Quapaw Mills property in satisfaction of a debt due to it from a former owner of the mills property; that the property was idle and unproductive; and that the directors, in the exercise of their best judgment, purchased the small interest of the German National Bank therein, and organized a corporation to repair and operate the cotton mills for the sole purpose of enhancing their value, and enabling the bank to ultimately dispose of the property to the best advantage.

On the other hand it is urged by the Receiver that the bank, under its charter, had no power to purchase the interest of the German National Bank in the property in question, it being real estate, and that because of such want of power the directors are personally liable for the sum of $3,000 which was expended in making the purchase and was ultimately lost.

It will be admitted of course that a National bank has no power to purchase real property except such as may be necessary for the convenient transaction of its business, or such as it may be compelled to take as security for, or in satisfaction of, debts previously contracted. (Rev. St. § 5137.)

We think, however, that when a National bank, as in the present case, has lawfully acquired an undivided interest in real property in satisfaction of a debt, it may lawfully purchase other undivided interests in the property, and discharge liens or incumbrances existing thereon, provided such action is necessary to enable it to manage or dispose of the property to better advantage. The power conferred by the statute to acquire real estate in satisfaction of a debt is not exhausted by acquiring simply an undivided interest in such property, but it extends to the acquisition of all interests in the property, if an undivided control and ownership thereof is deemed necessary for the ultimate security of the bank.

In many cases the right accorded to National banks to take real estate as security for debts previously contracted would prove a barren right if they were limited to such an interest as was first acquired, and were denied the right to purchase other outstanding titles and interests. Inasmuch as the power in question was conferred upon National banks for the sole purpose of enabling them to save as much as possible of bad or doubtful debts, it should be liberally construed so as to make it most effectual to that end.

It results from this view that we are not able to assent to the proposition that the directors are liable for the sum of $8,000 which was expended in purchasing the interest of the German National Bank in the mills property, because that act was in excess of the power of the corporation, and therefore a wrongful act on the part of the directors. We hold, on the contrary, that the directors had the power to make the purchase in question, if, in the exercise of their best judgment, they deemed it necessary to do so to protect the interest of the bank, and to save as much as possible of the money already invested in the mills property.

The Receiver claims, however, that, according to the averments of the bill of complaint, the directors of the bank also embarked its funds in a manufacturing enterprise which resulted in a large loss, and that such conduct on their part was a breach of trust, which renders them personally liable for whatever damage was thereby sustained.

This contention on the part of the Receiver as to what the bill charges seems to be well founded. The bill does not aver that the cotton-mills company paid anything for the property which was conveyed to it by Roots and Davis, or that it agreed to pay anything therefor, or that the conveyance was in the nature of a lease; while it is expressly alleged that such conveyance was made to it "in trust for the bank," and that the mills were thereafter operated for and at the expense of the bank, resulting in a loss of $23,000.

In other words, it appears by averment, at least, that the cotton-mills company acted merely as an agent of the bank in the operation of the mills, and that whatever risk of loss was incurred by so doing was borne by the bank.

If this be true, and it so appears on a further hearing of the case, it follows, we think, that the directors, or so many of them as assented to such use of the bank's funds, will be liable to respond for the loss which was incurred in operating the mill property.

In the case of *Butler* vs. *Cockrill* (36 U. S. App. 702, 712, 20 C. C. A. 122, and 73 Fed. 945), which related to the same transaction now under investigation, this court said, in substance, that it would not be difficult to show that the bank did have the power to lease the mills property to a third partly to be by him operated, or to convey the same to a third party under an agreement that he should operate it and sell it, and account to the bank for its proceeds. But we cannot concede that the bank itself had the right to operate the mill, either in its own name or in that of an agent, and incur the risks which are necessarily incident to a business venture of that nature. The present case shows the hazards which attend such ventures, and the necessity, on grounds of public policy, of denying to National banks the right to become interested therein. The most liberal view which may be fairly taken of the implied powers of National banks would not sustain their right to engage directly in a manufacturing or business enterprise under any circumstances; but, even if the power in question should be conceded to exist under certain conditions, the present case was not one which warranted its exercise. The directors of the bank had no right to employ its funds in an attempt to operate the cotton mills for the bank's account, in the manner alleged in the bill, and such action on their part was unauthorized and wrongful.

The decree of the circuit court is accordingly reversed, and the case is remanded to that court for further proceedings therein not inconsistent with this opinion.

TRUST COMPANY—POWER TO RECEIVE DEPOSITS.

Supreme Court of Missouri, June 14, 1898.

STATE OF MISSOURI *vs.* ST. LOUIS TRUST COMPANY, UNION TRUST COMPANY OF ST. LOUIS, LINCOLN TRUST COMPANY AND MISSISSIPPI VALLEY TRUST COMPANY.

Under the statutes of Missouri trust companies have no power to receive deposits, upon which no interest is allowed, and payable upon demand on the depositor's check or sight draft.

This was a *quo warranto* proceeding begun by the Attorney-General against the Lincoln Trust Company, Union Trust Company of St. Louis, St. Louis Trust Company, and the Mississippi Valley Trust Company, all of the city of St. Louis, to oust them of their franchises, because of the exercise of powers and privileges not conferred upon them by law.

BURGESS, *J.:* The evidence shows that the respondents are engaged in the same general business, and with respect to the issues involved in this case in the same business, that is, buying and selling exchange, and receiving moneys on deposit, which is paid out on demand, upon the check of the depositor. These facts are admitted by the respective answers of the several respondents, and the evidence adduced only tended to sustain their admissions and to distinguish in a practical way the manner of conducting the business of a purely banking institution from those of a trust company.

The vital question in this case is as to whether trust companies may receive moneys by way of general deposit, thereby establishing the relation of debtor and creditor between such companies and depositors. The law authorizing the incorporation of trust companies in this State was first enacted in 1885. (Session Acts of 1885, p. 103.) By Section 4 of that Act, corporations created under it are given power:

First, to receive moneys in trust, and accumulate the same at such rate of interest as may be obtained or agreed on, or to allow such interest thereon as may be agreed, not exceeding in either case the legal rate; *second*, to accept and execute all such trusts, and perform such duties of every description as may be committed to them by any person or persons whatsoever, or any corporation, or may be committed or transferred to them by order of any of the courts of record of this State or other State, or of the United States; *third*, to take and accept by grant, assignment, transfer, devise or bequest, and hold any real or personal estate or trusts created in accordance with the laws of this State or other States, or of the United States, and execute such legal trusts in regard to the same, on such terms as may be declared, established or agreed upon in regard thereto, or to execute or guarantee any bond or bonds required by law to be given in any proceeding in law or equity in any of the courts of this State or other State, or of the United States; *fourth*, to act as agent for the investment of money for other persons, and as agent for persons and corporations for the purpose of issuing, registering, transferring or countersigning the certificates of stock, bonds or other evidence of debt, of any corporation, association, municipality, State or public authority, on such terms as may be agreed upon; *fifth*, to accept from and execute trusts for married women, in respect to their separate property, whether real or personal, and act as agents for them in the management of such property, and generally to have and exercise such powers as are usually had and exercised by trust companies; *sixth*, to act as guardian or curator of any infant or insane person, under the appointment of any court of record having jurisdiction of the person or estate of such infant or insane person; *seventh*, to guarantee the fidelity and diligent performance of their duty of persons holding places of public or private trust.

In 1887 (Session Acts 1887, p. 116) said Section 4 was amended by adding to the then existing powers that might be exercised by trust companies incorporated under said Act the following: *Eighth*, to loan money upon real estate and collateral security, and execute and issue its notes and debentures, payable at a future date, and to pledge its mortgages on real estate and other securities therefor; *ninth*, to buy and sell all kind of Government, State, municipal and other bonds, and all kinds of negotiable and non-negotiable paper, stocks, and other investment securities.

Section 2839, Revised Statutes, 1889. This Section 2839 was again amended in 1891 (see Acts of April 18, 1891, p. 99) so as to read as follows:

Section 2839. Corporations may be created under this article for any one or more of the following purposes: *First*, to receive money in trust, and to accumulate the same at such rate of interest as may be obtained or agreed upon, or to allow such interest thereon as may be agreed, not exceeding in either case the legal rate (and the payment to them or their order of deposits made by minors shall be binding on them; to receive upon deposit for safe-keeping personal property of every description; to guarantee special deposits, and to own or control a safety vault and rent the boxes therein). *Second*, to accept and execute all such trusts, and perform such duties of every description as may be committed to them by any person or persons whatsoever, or any corporation (and act as assignee, Receiver, trustee and depositary, and to accept and execute all such trusts, and perform such duties of every description) as may be committed or transferred to them by order, judgment or decree of any of the courts of record of this State or other State, or of the United States. *Third*, to take, accept (and hold, by the order, judgment or decree of any court of this State, or of any other State, or of the United States, or by gift) grant, assignment, transfer, devise or bequest (of any person or corporation) any real or personal property in trust, and to execute and perform any and all such legal and lawful trusts in regard to the same, upon the terms, conditions, limitations and restrictions which may be declared, imposed, established or agreed upon in and by such order, judgment, decree, gift, grant, assignment, transfer, devise or bequest, and to execute as principal or surety, and to guarantee against loss any principal or surety, upon any bond or bonds, required by law to be given in any proceeding in law or equity in any of the courts of this State or other State, or of the United States. *Fourth*, to act as agent or attorney in fact for any person or corporation in the management and control of real or personal property and the sale or conveyance of the same, and for the investment of money, and to act for and represent corporations or persons under power and letters of attorney, and as agents for persons and corporations for the purpose of issuing, registering, transferring or countersigning the certificates of stock, bonds or other evidences of debt of any corporation, association, municipality, State or public authority, on such terms as may be agreed upon. *Fifth*, to accept from and execute trusts for married women in respect to their separate property, whether real or personal, and act as agent for them in the management of such property, *and generally to have and exercise such powers as are usually had and exercised by trust companies*. *Sixth*, to act as executor under last will or as administrator of the estate of any deceased person, or as guardian or curator of any infant, insane person, idiot or habitual drunkard, or trustee for any convict in the penitentiary, under the appointment of any court of record having jurisdiction of the person or estate of such deceased person, infant, insane person, idiot, habitual drunkard, or convict. *Seventh*, to guarantee the fidelity and diligent performance of their duty of persons or corporations holding places of public or private trust; to guarantee or become surety on any bond given by any person or corporation, and to reinsure or guarantee any person or corporation against loss or damage by reason of any risk assumed by insuring the fidelity or diligent performance of duty of any such person or corporation, or by guaranteeing or becoming surety on any bond; to guarantee the principal or interest, or both, of any securities of any kind, and to certify and guarantee titles to real estate. *Eighth*, to loan money upon real estate and collateral security, and execute and issue its notes and debentures payable at a future date, and to pledge its mortgages on real estate and other securities therefor, which notes and debentures may be issued to an amount not exceeding, in the aggregate, ten times the amount paid up on the capital stock of the company issuing the same, and shall, in no case, exceed the amount of first mortgages pledged to secure their payment. *Ninth*, to buy and sell all kinds of Government, State, municipal and other bonds, and all kinds of negotiable and non-negotiable paper, stocks, and other investment securities.

While by this amendment the powers of trust companies were greatly enlarged in several particulars not necessary to mention, their powers to receive moneys on general deposit, and to pay them out on demand, on check or sight draft, remain just as they did before this amendment. It is the contention of respondents that by the letter of the statutes they are empowered to receive money in exchange for their credit, thereby establishing the relation of debtor and creditor.

People vs. *Binghamton Trust Co.* (139 N. Y. 185) was an action by the people of the State by their Attorney-General to recover judgment in their favor, declaring that the defendant was then exercising franchises not conferred upon it by law, and for the amount of the penalty prescribed by statute for carrying on business in violation of Section 283, Chapter 409, of the Laws of 1882, known as the Banking Law. The Attorney-General conceded that trust companies might receive deposits of moneys and pay interest on them, but argued that they could not transact or regulate their business on the general plan or in the manner usually adopted by Savings banks. So that the only question was with respect to the manner of conducting their business. It was held that the rules in this regard adopted by the trust companies were not such as are, or should be, confined in their use to Savings bank business, but were those which, in view of the powers given to the defendant by the Act under which it was organized, to receive deposits and make contracts it was proper for it to make, and that it was not unlawful for it to transact business upon the general plan or in the manner usually adopted by Savings banks. In other words that it might adopt such rules and regulations as to its order of business as it thought proper, not inconsistent with law and public policy.

Bank vs. *New York* (121 U. S. 138) was a suit brought by a National bank to enjoin the collection of a tax levied by the State, upon the ground that the law taxing trust companies organized under the laws of that State made a discrimination against National banks which was prohibited by the Act of Congress under which it was organized. By the law of that State trust companies are endowed with many of the powers possessed by trust companies incorporated under the laws of this State, and among the rest: "To receive moneys in trust and to accumulate the same at an agreed rate of interest." The Court said: "It is evident from this enumeration of powers that trust companies are not banks in the commercial sense of the word, and do not perform the functions of banks in carrying on the exchange of commerce."

But the question here is: Are trust companies authorized by statute to receive money on general deposit, and pay it out on check at sight or on demand?

If they have any such powers it must be found in the statute, for they possess only such express powers as are conferred upon them thereby, and such as are necessarily implied from the language used. In *Matthews* vs. *Skinker* (62 Mo. 329) it was said: "Corporations have only such powers as are specially given by their charters, or are necessary to carry into effect some specified power. (*St. Louis* vs. *Russell*, 9 Mo. 507; *Blair* vs. *Perpetual Ins. Co.* 10 Mo. 559; *Ruggles* vs. *Collier*, 43 Mo. 353.) They must act strictly within the scope of the powers conferred on them by the Act calling them into being; and where a grant of power from the Legislature is relied on, the mode prescribed in that grant for doing any particular thing must be pursued according to the law creating them. (*Han. & St. Joe R. R. Co.* vs. *Marion Co.* 36 Mo. 294.) The distinction between natural persons and corporations is that while the former may make any contract not prohibited by law or not against public policy, the latter can exercise no powers not expressly conferred on them by their charters." (*Bank of Louisville* vs. *Young*, 37 Mo. 398.) While the Matthews case was subsequently overruled by the Supreme Court of the United States (98 U. S. 621) in some respects its soundness as to the powers of corporations under their charters was not doubted, nor has it ever been called in question.

The only words in the statute which have any tendency whatever to sustain respondents' position, are those in the first clause of said Section 4 which authorize trust companies to receive moneys and "to allow such interest thereon as may be agreed, not exceeding the legal rate;" and those in the fifth clause which authorize them "generally to have and exercise such powers as are usually had and exercised by trust companies."

It is quite clear that no express power is conferred upon trust companies by said section to receive moneys by way of general deposit, nor can any such power be implied from the language quoted from that section.

Implied powers must result from the charter by necessary implication, regard being had for the object and purposes of the corporation. And if there be any uncertainty or doubt as to the terms of the charter, they must be resolved in favor of the public.

In *Mintem* vs. *La Rue* (64 U. S. 435), the Court said: "It is a well-settled rule of construction of grants by the legislature to corporations, whether public or private, that only such powers and rights can be exercised under them as are clearly comprehended within the words of the Act, or derived therefrom by necessary implication, regard being had to the objects of the grant. If any ambiguity or doubt arises out of the terms used by the legislature, it must be resolved in favor of the public. This principle has been so often applied in the construction of corporate powers that we need not stop to refer to authorities." (*Carroll* vs. *Campbell*, 108 Mo. 559; *Charles River Bridge* vs. *Warren Bridge*, 11 Peters, 402; *Mills* vs. *St. Clair County*, 8 Howard, 569.)

There is nothing in the words used that would justify their extension, by implication, in favor of the respondents, beyond the natural and obvious meaning of the words employed, and these do not support the right asserted. The fact that respondents are incorporated as trust companies seems to be inconsistent with the relation of that of debtor and creditor, and in favor of the relation of trustee and *cestui que* trust.

Moreover, the powers conferred upon respondents are expressly enumerated, which implies the exclusion of all others not enumerated.

In *Thomas* vs. *Railroad Co.* (101 U. S. 71), the Court observed: "We take the general doctrine to be in this country, though there may be exceptional cases and some authorities to the contrary, that the powers of corporations organized under legislative statutes are such and such only as those statutes confer; conceding the rule applicable to all statutes, that what is fairly implied is as much granted as what is expressed, it remains that the charter of a corporation is the measure of its powers, and that the enumeration of these powers implies the exclusion of all others."

It cannot be implied, from the fact that trust companies have the power to receive moneys and to allow such interest thereon as may be agreed, not exceeding the legal rate, that they have the power to receive moneys on general deposit and pay it out on demand.

They can go no further than the statute expressly permits. The clause under consideration grants the right to accept money and *allow* interest upon the same. This necessarily authorizes them to create the relation of debtor and creditor as to funds so deposited, but only to that extent. If they can receive money and agree to pay interest thereon, this money may be payable on demand, as well as at such times as may be fixed by agreement, and upon checks or written orders or otherwise, as may be most convenient. This is as far as they can go. They have no authority to operate a general deposit account and receive money in any sums whatever upon which no interest is "allowed" and pay out such funds upon the depositor's checks. It is enough to say that the Legislature has not given such power. Nor do we think any such power is granted, or that it can be implied, from the fact that the statute provides that trust companies are "generally to have and exercise such powers as are usually had and exercised by trust companies." The enumeration of the powers conferred upon trust companies by the statute must be held to exclude all others. (*Thomas* vs. *Railroad Co.*, *supra;* Sutherland on Statutory Construction, 268, 276.) Besides, those words are embraced in the same sentence and follow words by which express power is conferred upon trust companies to accept from and execute trusts for married women in respect to their separate property, whether real or personal, and act as agent for them in the management of such property, and clearly mean the exercise of such powers as are usually had and exercised by trust companies with respect to such matters, and none other. "Where there are general words following particular and specific words, the former must be confined to things of the same kind." (Sutherland on Statutory Construction, Sec. 268.) Moreover, the general power attempted to be conferred is too indefinite and uncertain to confer any special power upon such companies.

In *Pennsylvania Railroad Company* vs. *Canal Commissioners* (21 Pa. St. 9), it was said by Black, C. J.: "But corporate powers can never be created by implication nor extended by construction. No privilege is granted unless it be expressed in plain and unequivocal words testifying the intention of the Legislature in a manner too plain to be misunderstood. When the State means to clothe a corporate body with a portion of her sovereignty, and to disarm herself to that extent of the powers which belong to her, it is so easy to say that we will never believe it to be meant when it is not said; and words of equivocal import are so easily inserted by mistake or fraud, that every consideration of justice and policy requires that they should be treated as nugatory, when they do find their way in the enactments of the Legislature. In the construction of a charter, to be in doubt is to be resolved; and every resolution which springs from doubt is against the corporation."

Section 7, Article 12, of the Constitution of this State provides that: "No corporation shall engage in business other than that expressly authorized in its charter or the law under which it may have been or hereafter may be organized," etc. (See, also, *Stewart* vs. *Father Mathew Society*, 41 Mich. 67.)

By Section 26, Article XII, of our Constitution, under the title, "Act creating banks, to be submitted to the people," it is provided that: "No *Act* of the general assembly authorizing or creating corporations or associations with banking powers (except banks of deposit or discount), nor amendments thereto, shall go into effect, or in any manner be enforced, unless the same shall be submitted to a vote of the qualified voters of the State at the general election next succeeding the passage of the same, and be approved by a majority of the votes cast at such election."

The manifest purpose of this latter constitutional provision was to prevent the incorporation of banks of issue, even with the sanction of the Legislature, without such an Act being first submitted to the people and approved by them.

Section 2743, Revised Statutes 1889, Chapter 42, Article VII, entitled, "Savings Bank and Fund Companies," is as follows :

"Section 2743. *Who may be incorporated.* Any five or more persons in any county of this State, who shall have associated themselves by articles of agreement, in writing, as provided by law, for the purpose of establishing a bank of deposit or discount, or of both deposit and discount, may be incorporated under any name or title designating such business."

Section 2836, Revised Statutes 1889, Chapter 42, Article XI, entitled, "Trust Companies." provides that "Any three or more persons who shall have associated themselves by articles of agreement, in writing, as provided by law, for any of the purposes included under Section 2839 of this article, may be incorporated under any name or title designating such business."

In *State* vs. *Reid* (125 Mo. 22), Gantt, *P. J.*, in speaking of the incorporation and powers of trust companies under the first subdivision of sections 2839 and 2743, *supra*, and of banks under section 2745, *supra*, and Section 2745, Revised Statutes 1889, said :

"We think it obvious that whatever result was attained by the foregoing legislation, it most clearly was not the intention of the Legislature that these trust companies should perform the functions of banks of deposit or discount, or banks of deposit and discount. To create a bank, it is absolutely necessary that five persons shall associate before a charter can be obtained, whereas three persons only are required to procure a charter for a trust company. The powers and rights of banks are defined by Section 2745, and those of the trust companies by Section 2839.

Unquestionably, some of the powers usually exercised by incorporated banks are conferred by these statutes upon trust companies, and many of the powers and rights of banks are not conferred upon them, and a distinct class of powers are granted to trust companies which banks do not, and are not, authorized to exercise at all. For example: Banks have the right to receive money on deposit, and thereby the relation of debtor and creditor is established between the bank and the depositor. Trust companies have no right to receive deposits, but can only receive money in trust, and thereby the relation of *cestui que* trust is established between the company and the customer. Trust companies have the right to perform various and sundry acts specified in Section 2839. none of which can be performed by a bank. Banks are required to furnish to the Secretary of the State a statement showing their condition—sections 2751 and 2752. No such duty is required of trust companies. The officers of banks are made personally liable for all deposits received in the bank after they have knowledge that the bank is insolvent. No such penalty is imposed upon the officers of trust companies. From this enumeration of the differences between the two corporations, it will be seen that they are widely and essentially distinct and separate. An examination of the authorities will, we think, demonstrate that the mere fact that a corporation is authorized to exercise some of the functions of a bank does not, in law and in fact, create a bank within the meaning of our constitution and statute." It thus seems clear that no corporation other than a bank organized according to the laws of this State has the power to receive moneys on general deposit and pay them out on demand on check or otherwise.

[The court then considered the contention of the respondents, that the various Acts of the Legislature passed since the adoption of the first trust company law of

1885, had not only construed that law so as to include the right to take deposits payable at sight or on demand, but that these subsequent Acts in themselves amounted to a grant of the right to receive such deposits, irrespective of the terms of the original law on the subject.]

The question here is whether or not the Legislature, by its several subsequent Acts before mentioned, by which the power of trust companies to receive moneys on general deposit, payable on demand or check, is recognized, did thereby ingraft on the statute, by implication merely, powers which did not theretofore exist in express terms or by implication. While a statute may be repealed by implication, it cannot be amended otherwise than as provided by Section 34, Article III, of the State Constitution, and the mere recognition of such powers did not have the effect to create them. [The court here considered the further contention that the State, having recognized and affirmed the right of trust companies to receive deposits subject to check at sight or on demand, is now estopped from proceeding against the respondents for exercising the right.]

The recognition of the power of respondents by the Legislature to receive money on general deposit, even if such were the case, is not sufficient to create an *estoppel in pais*, unless respondents acted upon such recognition (*Monks* vs. *Belden*, 80 Mo. 639; *Acton* vs. *Dooley*, 74 Mo. 63; *Spurlock* vs. *Sproule*, 72 Mo. 503). And it is impossible that respondents could have been misled and induced to do otherwise than they did do by reason of all or either of the said Acts. And for these reasons:

From the time of their organizations they received moneys on general deposit, payable on demand, on check or sight draft. and the only Act in question which was passed before that time, and upon which respondents could have possibly relied as conferring upon them the power to receive moneys on general deposit, was that of 1887 (Acts 1887, p. 116), by which it is provided that mutual Savings societies may keep on hand an available cash fund, not exceeding twenty-five per cent. of their total assets, which, together with the current receipts over the payments, might be kept on deposit with any trust company organized under the laws of Missouri, and that is with respect to a special fund, from which it could not even be implied that trust companies are authorized to receive moneys on general deposit.

But no such power can be implied in favor of respondents in this case.

The other Acts that were passed subsequently to the incorporation of respondents are with respect to special matters and could not in any way have misled the respondents or induced them to change their positions. Even conceding all that is claimed for these several Acts by respondents, that is that they, by implication, confer upon them the power to receive moneys on general deposits. As no such power exists in the law with respect to trust companies it cannot be conferred upon them by implication.

In case of *State* vs. *Stebbins*, *et al.* (1 Stewart, Ala. Rep. 299) the claim was made in behalf of a corporation having a special charter that subsequent legislative construction had given said corporation authority to carry on a banking business. But on this point the Court said: "But it is further contended that the Act recited, under which this indictment was preferred, admits that the Act of incorporation gave the power, as it would seem by construction, to use banking privileges; and if so the Legislature cannot abridge that power. It is admitted by the court that when any legal charter has conferred banking or other powers the Legislature is incompetent to abridge or repeal them during the validity of the grant; but it is equally clear that an admission by the Legislature that a corporation once had a power which was never granted, and which in truth they never had, cannot confer such power." This is but an enunciation of the general doctrine.

The record shows that at the time of the issuing the writ in this case respondents were, and have been ever since their organization under their respective charters, receiving money upon general deposit, payable on demand, on check or sight draft, upon which no interest was allowed by agreement or otherwise; and our conclusion is that in so doing and to that extent they exercised a franchise not conferred upon them by their charters. We do not think the State estopped.

By the ninth subdivision of Section 2839, Revised Statutes 1889, trust companies are expressly authorized to buy and sell all kinds of Government, State, municipal and other bonds, and all kinds of negotiable and non-negotiable paper, stocks, and other investment securities. Which of course includes bills of exchange.

There can be no question we think as to the right of the Attorney-Gendral to prosecute this proceeding. Respondents seem to have been acting in good faith in the exercise of the franchise of receiving moneys on general deposit, upon which no interest was allowed by agreement or otherwise, and although without authority and in excess of their powers under their charters, we are not disposed to enter judgment of ouster from such franchises as are legally possessed by them, but judgment of ouster from the exercise of the franchises not granted them as herein indicated will be entered.

Gantt, C. J., Williams, Brace and Robinson, J. J., concur. Marshall, J., not sitting. Sherwood, J., dissenting.

In pursuance of this opinion the following order was entered:

"Therefore, it is now considered and adjudged by the court that the respondent be and hereby is excluded and ousted from hereafter exercising the right, liberty, or franchise of receiving money upon general deposit payable upon demand on the depositor's check or sight draft without allowing any interest thereon."

ACCOMMODATION PAPER OF CORPORATIONS—DISCOUNTING OF—NOTICE TO BANK.

United States Circuit Court of Appeals, Eighth Circuit, April 18, 1898.

PARK HOTEL COMPANY *vs.* FOURTH NATIONAL BANK OF ST. LOUIS.

A corporation has no power to make accommodation paper or to guarantee the payment of the obligations of others.

Nor can it ratify such an obligation, or estop itself from disputing its validity.

In error to the Circuit Court for the Eastern District of Arkansas.

This action was brought to recover upon a note made by the Park Hotel Company by its President, Ed. Hogaboom, to the order of the Fourth National Bank of St. Louis, and indorsed by Hogaboom. This note had been given in renewal of another note which the bank had previously discounted, and which was signed "The Park Hotel Company, by Ed. Hogaboom, President," and was payable to the order of Hogaboom and indorsed by him. The proceeds of this note had been placed to Hogaboom's credit, and were paid out on his checks. The judgment of the circuit court was for the bank and the hotel company sued out a writ of error.

Before Sanborn and Thayer, Circuit Judges, and Phillips, District Judge.

SANBORN, *Circuit Judge* (after considering other questions): There is another reason why the note of February 28, 1891, was not binding upon the hotel company. It is that it was an accommodation note, that the bank had notice of that fact when it discounted the paper, and that is was beyond the powers of the corporation to make a note of that character.

The form of the note, as we have seen deprived the bank of the immunity of an innocent purchaser, and gave it notice that Hogaboom had no power to make it under his general authority, and that, if the corporation contested it, it must discover and prove special power in him to do so. It gave the bank notice of every fact that a reasonably diligent inquiry to find and prove Hogaboom's special authority to make the note would have discovered, and such an inquiry would certainly have brought to its knowledge the fact that the corporation had given no such authority, but that Hogaboom had made the note for his own accommodation.

Moreover, the bank knew from the transaction itself that the hotel company received no consideration for the note, and that it had actually discounted the accommodation note of that corporation for the benefit of Ed. Hogaboom.

The fact that Hogaboom told the President of the bank, when he applied for the loan, that he was borrowing the proceeds of the note for the hotel company, and the fact that the President understood that the bank was loaning to the hotel company, are not forgotten.

But this contract was not made by what these parties said or understood, but by what they did. Hogaboom presented to the bank the note of the corporation, signed by himself as its president, payable to his own order, and indorsed by himself. He informed the bank that he wanted to borrow money on it for the hotel company. That statement was notice to the bank that this note was not one which the corporation had given to Hogaboom for value, and that it was one which he had made without paying any consideration to the corporation for it, in order to enable him to borrow money.

With this knowledge, the bank discounted the note, and instead of paying its proceeds to the hotel company, which it now claims was the borrower, it placed them all to the individual credit of Hogaboom, and paid them out on his individual check.

It is said that the bank is not liable for Hogaboom's misapplication of the fund. Let the proposition be conceded. But it was not Hogaboom, and it was the bank, which applied the proceeds of this note to Hogaboom's use. It was the bank, and not Hogaboom, which placed the proceeds of the discount to his individual credit, pursuant to a custom of its own, so that, in the words of its president, the indorser "can't go back on us and say that he did not receive a consideration for the indorsement."

The bank cannot escape the knowledge or the effect of that which it did itself, and it discounted a note which it knew that the president of the hotel company had made payable to himself, without giving any consideration therefor to the corporation, and paid all the proceeds of the discount to the individual.

In other words, it discounted the accommodation note of the corporation, with knowledge of its character and paid the proceeds of the discount to the party accommodated. Nor did it ever give any consideration but the proceeds of this discount for the note of December 8, 1894, on which this judgment rests, or for any of the other renewals of the original note of February 28, 1891, so that they were all mere accommodation notes of the corporation; and this to the knowledge of the bank, because the bank took them, and knew well what consideration was paid for them. But it is *ultra vires* of a corporation to make accommodation paper, or to guarantee the payment of the obligations of others. (*Lyon, Potter & Co.* vs. *First Nat. Bank of Sioux City*, 85 Fed. 120, 122; *National Park Bank* vs. *German-American Mut. W. & S. Co.* 116 N. Y. 281, 292; *Central Bank* vs. *Empire Stone-Dressing Co.* 26 Barb. 23; *Bridgeport City Bank* vs. *Same*, 30 Barb. 421; *Farmers & Mechanics' Bank* vs. *Same*, 5 Bosw. 275; *Morford* vs. *Bank*, 26 Barb. 568; *Genesee Bank* vs. *Patchin Bank*, 13 N. Y. 309; *Ætna Nat. Bank* vs. *Charter Oak Life Ins. Co.* 50 Conn. 167; *Monument Nat. Bank* vs. *Globe Works*, 101 Mass. 57; *Davis* vs. *Railroad Co.* 131 Mass. 258; *Culver* vs. *Real Estate Co.* 91 Pa. St. 367; *Hall* vs. *Turnpike Co.* 27 Cal. 255; *Madison W. & M. Plank-Road Co.* vs. *Watertown & P. Plank-Road Co.* 7 Wis. 59; *Lucas* vs. *Transfer Co.* 70 Iowa, 541, 549.)

Here, too, is the answer to the contention that the hotel company is estopped from contesting the validity of these notes. A contract which a corporation has no power to make, it has no power to ratify, and no power to estop itself from denying. (*Bank* vs. *Kennedy*, 167 U. S. 362, 371; *Union Pac. Ry. Co.* vs. *Chicago, R. I. & P. Ry. Co.* 163 U. S. 564, 581; *Central Transp. Co.* vs. *Pullman's Palace-Car Co.* 139 U. S. 24, 59, 60; *Railway Co.* vs. *Hooper*, 160 U. S. 514, 524, 530.)

If the hotel company had ever received any consideration for these notes, and if the bank had not had notice that the corporation received nothing for them, those facts would have removed the notes from the category of accommodation paper, and the corporation might have been estopped from denying their validity. (*Lyon, Potter & Co.* vs. *Sioux City Nat. Bank*, 85 Fed. 120, 122.)

But the hotel company received no consideration for them, and the bank knew it; so that the notes fall without the limits of voidable contracts, and there is no basis for an estoppel. The result is that the bank was not entitled to a judgment in this case, (1) because the note on which it sued, and the original note of which that was a final renewal, were accommodation notes of the hotel company, and hence beyond the powers of that corporation to make, or to validate by ratification or estoppel, and the bank was charged with knowledge of their character, by its discount of the original note for the sole benefit of its indorser, and by the form of that note; and (2) because it failed to prove that the president of the hotel company was specially authorized to make the original note on behalf of the corporation, payable to his own order, and to discount it, and receive the proceeds of it himself.

The judgment must be reversed, and the case must be remanded to the court below, with directions to grant a new trial, and it is so ordered.

NATIONAL BANK—RATE OF INTEREST.

Supreme Court of Arizona, April 16, 1898.

DAGGS, *et al.* vs. PHOENIX NATIONAL BANK.

Where a statute of a State or territory fixes a rate of interest in the absence of an express agreement, but permits parties to stipulate in writing for any rate of interest, National banks located in that State or territory are authorized to so contract for any rate.

These were three actions brought by the Phoenix National Bank upon notes and to foreclose collateral mortgages.

SLOAN, *J.* (omitting part of the opinion): The law upon the general subject of interest in this territory is found in paragraphs 2161, 2162, Rev. St. 1887, which read as follows:

"2161. (Section 1) When there is no express agreement fixing a different rate of interest, interest shall be allowed at the rate of seven per cent. per annum on all moneys after they become due on any bond, bill, promissory note or other instrument in writing, or any judgment recovered in any court in this territory, for money lent, for money due on any settlement of accounts from the day on which the balance is ascertained and for money received for the use of another.

Section 2162. (Sec. 2) Parties may agree in writing for the payment of any rate of interest whatever on money due or to become due on any contract; any judgment rendered on such contract shall conform thereto, and shall bear the rate of interest agreed upon by the parties, and which shall be specified in the judgment."

The territorial law, in effect, fixes the rate of interest, in the absence of any express agreement upon the subject, but permits the parties to any contract to agree in writing upon any rate whatever. The question presented, therefore, is, are National banks, located in States or territories having a statute upon the subject of interest, which fixes a rate in the absence of an express agreement, but which likewise permits parties to stipulate in writing for any rate of interest, authorized to contract like other citizens living in such States or territories? So far as we have been able to find, there are no Federal cases which conclusively adjudicate this question.

In the case of *Bank* vs. *Johnson* (104 U. S. 271) it was decided that in the State of New York, where the State law fixed the maximum rate of interest at seven per centum, and which made any contract usurious which exceeded that rate, a National bank could not discount paper at a greater rate than seven per cent., and thus, in effect, reserve a greater rate of interest than that allowed by the local law.

In the case of *Tiffany* vs. *Bank* (18 Wall. 409), the Supreme Court held that in the State of Missouri, where, by the local law, banks of issue organized under the State laws were limited to eight per centum, but the rate of interest allowed generally was ten per centum, a National bank could charge and recover interest at the higher rate allowed to natural persons.

The case of *Danforth* vs. *Bank* (1 C. C. A. 62, 48 Fed. 271) was decided upon the statute of New Jersey fixing the legal rate of interest in that State at six per centum per annum. It was there held, following *Bank* vs. *Johnson*, that the purchase by a National bank of accepted drafts at a greater discount than lawful interest, on their face value, came within the prohibition of Section 5197, and was the taking of an unlawful rate of interest under the State law.

Since then there are no conclusive adjudications upon the precise question under consideration in the Federal courts, we must look to the decisions of the various States and territories having statutes on the subject of interest similar in their provisions to that of Arizona.

The statutes of the State of California provide that, "unless there is an express contract in writing fixing a different rate, interest is payable on all moneys at the rate of seven per cent. per annum." (Civ. Code, § 1917.) Construing Section 5197, Rev. St. U. S., in the light of the local law, the Supreme Court of that State in the case of *Hinds* vs. *Marmolejo* (60 Cal. 229), speaking by Ross, *J.*, held that National banks, like natural persons, might charge and collect such rates of interest as might be agreed upon. The learned judge writing the opinion uses this language:

"By the first clause of this section, National banks are authorized to charge and receive interest at the rate allowed by the laws of the State or territory where the bank is located, and by the last clause, when no rate is fixed by the laws of the State or territory, they are allowed a rate not exceeding seven per centum. Reading the entire section, and considering the two clauses together, as they must be considered, we are of the opinion that the word 'fixed' used in the last clause is used in the same sense as the word 'allowed' in the first clause, and that by the words 'the laws of the State or territory' is meant statute laws. In other words, that the true interpretation of the Act of Congress is that, in those States and territories having no statute upon the subject of interest, the National banks are allowed a rate not exceeding seven per centum, while, in those States and territories having a statute, * * * interest at the rate allowed other banks and individuals."

In the case of *Rockwell* vs. *Bank* (36 Pac. 905), the Colorado Court of Appeals held that the law of the State fixing a legal rate of interest, but permitting the parties to agree for any rate of interest, a National bank in that State may charge interest at any agreed rate. To the same effect is the case of *Bank* vs. *Bruhn* (64 Tex. 571).

In the case of *Guild* vs. *Bank* (57 N. W. 409), the Supreme Court of South Dakota construed the term "fixed," as used in the clause of Section 5197 which reads: "Where no rate is fixed by the laws of the State, territory or district," etc.—as substantially a repetition of the word "allowed," used in the first clause of the section, and held that a National bank might, therefore, charge any rate of interest allowed by the local statute to be the subject of contract by natural persons. The Dakota court approves the view taken upon this subject by the Supreme Court of California in *Hinds* vs. *Marmolejo* (*supra*).

In accord with the courts of the States of California, Colorado, Texas and North Dakota, we have reached the conclusion that a National bank in Arizona is privileged to charge and collect any rate of interest which may be agreed upon, and is as free to act in this regard as are banks organized under local laws or as individuals living in the territory.

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: **PITTSBURG, Pa., June 24, 1898.**

SIR:—If a depositor comes to the bank bringing his pass book and demands a portion of the money belonging to him, and we give it to him, entering it on his book and taking a receipt therefor, nothing having passed whereon a revenue stamp should be affixed, according to the letter of the law, would this be an indictable evasion of the law? We have a number of small depositors whose accounts do not warrant us in furnishing the stamps. It would be considered by them a hardship to pay whenever they wish to use a few dollars of their savings. CASHIER.

Answer.—The practice mentioned in the inquiry would not be an issue or payment of a check with a view to evade the payment of the stamp tax, but would be merely a device to avoid using any instrument to which a stamp has to be affixed. This is not forbidden by the statute, and would not be a misdemeanor.

Editor Bankers' Magazine: **COTULLA, Texas, June 6, 1898.**

SIR:—Please give me your opinion in the next issue of your MAGAZINE whether goods that are bought on thirty, sixty or one hundred and twenty days are considered in commercial law cash or credit. M. J. BARLOW & CO.

Answer.—There is no rule of law upon this subject. It is a question to be determined by the course of dealing between the parties, or according to the custom in that particular line of trade in which the dealing is had. In any case in which the point might arise, it would have to be proved as a question of fact.

Editor Bankers' Magazine: **REYNOLDSVILLE, Pa., June 18, 1898.**

SIR:—(1) When does the stamp tax on checks go into effect? (2) If a check should be sent in for collection without a stamp affixed thereon, would it be proper to protest the check on that account, or merely return it as incomplete, without formal protest? What was the custom during the stamp tax following the Civil War? CASHIER.

Answer.—(1) On July 1, 1898.

(2) The check should be protested as in any other case where a check is dishonored. The question of the liability of the indorser is not determined by the tax law, but by the statutes of the State, or the law merchant; and this law requires that notice be given to the indorser in all cases without regard to the cause of the dishonor. Even though the indorser should notice the absence of the stamp, it would not follow that he could know that the check would not be paid; for in many cases banks will act as agents for their customers and affix the stamps for them, charging the same to their accounts. The following, taken from a circular letter addressed by one of the New York banks to its customers, may be of interest in this connection:

"As the Department has not yet provided the necessary stamps under the law, and as it will take some time for their general distribution, and for the public to become familiar with the new conditions; until there is such a distribution as to make them easily obtainable by all, we will, unless instructed to the contrary, become your agents, and as such affix the necessary revenue stamp to any and all checks on this bank, adding cost of stamp to face of check; it being assumed that such check shall not be regarded as completed and issued until stamped by you or your agents."

THE LARGER AMERICAN BANKERS' ASSOCIATION.

The recent growth of this association has been so substantial that we need to be especially careful not to look upon this size as an end, but as a means to greater usefulness and to accomplishing ends that, without this membership, we could not hope to accomplish. Until the bankers of the United States realized the need and the power of co-operative work there was little use in attempting certain reforms, and efforts expended in this direction which had not produced results have in a measure discouraged those who have been most ardent along these lines. The banks of this country, by coming to this association in such large numbers, express their trust and need of the association, and this is in itself a call to the organization for a yet larger usefulness.

How can this be attained and along what lines should it be sought, will be questions natural in the minds of the readers of the BANKERS' MAGAZINE, as their thoughts turn to the coming meeting at Denver.

METHODS SUGGESTED FOR INCREASING THE USEFULNESS OF THE ASSOCIATION.

Papers on Practical Topics.—We have had presented at our several conventions many papers on practical topics, carefully thought out by men of wide experience; but too often they have resulted in no appreciable benefit, because of a lack of proper machinery for rendering effectual ideas recognized as valuable and practicable. We believe that all such papers should be referred immediately to the executive council who should in turn refer to a suitable sub-committee, made up of its own members; or better still, with its chairman a member of the council, and the other members selected because of special fitness to consider the question. And if such parties are not members of the council we should thereby draw into the work of the association those who can give its work their time and thus become more interested in the work and in touch with the methods by which it is conducted. Other advantages of such reference would be that the council would have matters brought to their attention by committee report, as is done in legislative bodies. This would result in a great saving in time and an increase in efficiency. Those who thus served the council on the sub-committees would not only be fitting themselves for the more responsible position on the council, but would thereby be showing their value to the association, and whenever they were called to the higher position it would be because they have shown their fitness for it, and the association has always honored most those who have served it best. It would also tend to secure the presentation of more practical papers at our annual meetings if the member asked to open a discussion could be assured that his suggestions would be carefully considered, and that his effort would not be in fact "a waste of sweetness on the desert air." We have a few such committees, made up as yet, however, wholly of members of the council.

A Credit Committee.—This is a committee lately appointed, and it is already at work. There are those of course who can see nothing that such a committee can accomplish. What better disposition could be made of Col. Leathers' able paper read at Detroit, than to refer it to such a committee. We do not believe it is designed to turn the association into a commercial agency, but so long as credits are a vital topic to bankers, this committee can find abundant field for usefulness; it may even co-operate with the agencies, to the end that the collection and dissemination of credit information be put on a better and more scientific basis than would be possible without such co-operation. It is only necessary to drop a hint of how the association may work along this line, and the banker who reads this will think of many other ways. When we recently asked for definite figures from one of these commercial agencies to substantiate their quotation of a million dollars' capital and the highest credit standing on several well-known mercantile houses, it was found that no detailed statement had been furnished for several years past in any single instance covered by the inquiry. On taking the matter up by correspondence, we were told that if the banks would insist on such statements as a basis for rating, it would be a demand which the borrowers would respect and the agency would be glad to lend its assistance.

Other Committees are Needed.

Insurance.—Fidelity insurance has already become a business factor in banking, and we believe that more and more banks will drop personal security on their fidelity bonds and turn to corporate security. With a view of protecting the people the Legislatures of many States have adopted standard forms for fire insurance, and any company desiring to do business in a State must adopt this form for its business in that State, and all forms are consequently alike. Is there any good reason why we, as banks, should have innumerable forms sold us, guaranteeing the fidelity of our men. Why two banks side by side should have policies which on many vital points are radically dissimilar. Why should not this association employ on our behalf able counsel and in conference with attorneys representing the companies draw a policy in plain terms, the meaning of which has been passed upon by the courts, equitable and unambiguous, and known as the American Bankers' Association Standard Policy. If any reader thinks there is no need for such action let him jot down on paper what he thinks his fidelity policy covers, what time it allows for the discovery of defalcation, etc., etc., and then read the policy itself and see how it tallies with what he has written. If this is not sufficient, let him then construe the policy and try to say how the courts agree with his construction. Such committee might well consider the question of

Cost of Insurance.—To aid them in such consideration we would point out that one of the prominent express companies of this country is furnishing its employees insurance at a net cost of less than fifty cents a thousand, while bankers are paying for the same insurance on an average $4 a thousand, namely, a $5,000 policy costs an express employee $2.20 a year and it costs the bank employee $20 a year. They might consider the following statement made to us this year by the Canadian Bank of Commerce:

"The fidelity of the officers of this bank is guaranteed by a fund within the bank, which has been in existence since October 1, 1878.

The officers are insured therein for amounts varying with their rank and responsibilities and they contribute to the fund five annual payments of one-half per cent. each on the amount of their bonds. When the five years are paid no further contributions are required, although there is a provision for their resumption in the event of the fund becoming depleted, which it has never yet been necessary to enforce. The ordinary contributions, with a moderate contribution from the bank at the outset, and the accumulations of interest, have been so much more than we have required to meet losses, and maintain a proper reserve fund, that we have been able to take $100,000 from the guarantee fund as a foundation for the officers' pension fund, which is now in existence.

The guarantee bonds outstanding on June 1, 1879, amounted to $847,000. On June 1, 1897, they amounted to $1,732,000.

Judging from our experience, a payment of a single premium of one-half per cent. on all the bonds of the staff would cover our losses for a long series of years, but we might, of course, at any time meet with a series of defalcations which would sweep away a small fund. The present contributions are not felt to be unduly burdensome; as compared with the rates paid to guarantee companies they are, of course, extremely light, and the surplus goes back to the officers through the pension fund."

Of the same purport is the statement of the General Manager of the Bank of Montreal:

"We insure the fidelity of the bank's staff to a limited extent each with a guarantee company, and in addition to that we have a guarantee fund of our own to which the bank contributes a proportionate sum annually. Although our staff numbers upwards of five hundred we have only had occasion to make a claim on the guarantee company or on our own fund once in twenty-five years."

Until such committee has carefully considered the matter in all its phases we should not conclude that the profits of fidelity insurance are abnormally large; on the contrary, an analysis of insurance reports to State departments shows that sixty-five to seventy-five per cent. of fidelity premiums received are consumed in expenses: thus it costs the insurer $4 in premiums for less than $1 repaid on account of losses. Now the insurance companies are like ourselves—working for profits only—and if by co-operation with our association they can improve the present wasteful and expensive methods of placing and inspecting business, thereby greatly reducing their expenses, they would certainly be as glad to see this end accomplished as we are.

Educational Work Should Be Undertaken.

The Pennsylvania Bankers' Association, in sending out the report of their annual convention of 1897, says:

"The organization of the American Bankers' Association upon the Centennial Grounds in Philadelphia in 1876, as a result of a preliminary convention held in Saratoga, in 1875, and the subsequent organization of State associations of like character in three-fourths of the States, have tended to the advancement of finance as a science and *of banking as a profession.*"

From wide correspondence we learn that but nine per cent. of bankers in this country are men of collegiate education, and but a little over one per cent. have received any definite legal education fitting them for their duties as bankers. The time was that the lawyer became a lawyer by entering a law office; the young man who wanted to become a doctor, rode with a physician, and a young man might even fit himself for a high position in the Navy by entering the service of the Government as a "powder monkey." We are still attempting to make bankers in this obsolete way. The President of one of the foremost banks in this country writes us—

"Young men come to us anxious to take hold of work, graduating from the high school, of good health and good habits, anxious to make their way in the world, and yet with absolutely no idea of the character of the business which they are about to enter into. They have, as a rule, arrived at years where a long preliminary course is objectionable because of their age, and the further fact that but light remuneration can be given under such conditions."

There seems to be no other practical way of recruiting our forces, and we know by experience that in no way can the young man get the same training on the practical side of our profession as by this method. How, then, are we to give him the theoretical and legal training that he so much needs if banking is to be indeed more a profession, less a trade. Certainly not by any school of finance that the young men that need the training most can not by any possibility attend. But it is to-day possible to get a legal education by correspondence that will fit a man for the bar, and when such an educational institution as the Chicago University, over the signature of its President, Dr. Harper, meets the suggestion that they take up the theoretical education by correspondence, by saying: "I fully appreciate the great possibility of this work and I wish we were in position to seize upon it at once. When I tell you, however, that all of our instructors in the University are already overworked, you will appreciate how difficult it is for us to arrange quickly anything of this sort. We have made arrangements with the Department of Political Economy to offer courses in Money, Banking, etc.;" and further, he expresses his appreciation of the possibility of carrying the matter of higher education to the choice young men who make up the body of employees of this association, and notwithstanding the overworked condition of his force he would heartily co-operate with any committee of our association in offering such courses as should prove the most beneficial to the young men who will not long hence be the bankers of the United States.

Legal Education.—No one can have carefully read the reports of our State and United States courts without the belief that in the past the bankers have done more than their fair share of the litigation of this country. We see no reason, therefore, why any young man before he should be entrusted with the handling of the commercial paper of a bank, or assume the position of a Cashier of a country bank, should not have as thorough a training as any lawyer on such subjects as negotiable instruments, agency, contracts, etc. The bankers of England and Scotland recognize the need of such a source of training and have provided it. We as yet have not made use of the new educational features, such as correspondence schools and college extension courses. We have repeatedly heard the need of this expressed by bankers in our section of the country, and elsewhere; it could be arranged without expense to the association other than the slight expenditure necessary for preparing courses of study, etc. It is more than likely that when we see the beam in our own eye we shall not need a committee on education to eliminate the mote that is in the eye of the general public, but that in addition to doing a safer and more profitable business the public will concede, as they do in other countries, that the trained banker knows more about finance than the populist, and as we in this country concede that when we are sick we need the services of the skilled physician.

ARTHUR C. ANDERSON.

ST. PAUL, Minn.

[The above suggestions from an active and progressive member of the Executive Council of the American Bankers' Association will be found well worthy of consideration at the coming convention.—EDITOR B. M.]

THE SILVER SEIGNIORAGE.—In view of the provision in the new war revenue law to coin a limited amount of silver, the following letter from the Secretary of the Treasury, addressed to Hon. John J. Jenkins, House of Representatives, will be found of interest:

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY.
WASHINGTON, D. C., June 7, 1898.

SIR: In reply to your verbal inquiry, I have the honor to inform you that the amount of silver bullion purchased under the Act of July 14, 1890, remaining on hand June 1, 1898, was 108,333,139.17 fine ounces, the cost of which was $97,987,420.40, and the coinage value of which is $140,067,089.02. The profit, or seigniorage, therefore, which would result from the coinage of this bullion is $42,079,668.62.

On June 1 the amount of Treasury notes issued under the Act of July 14, 1890, and still outstanding, was $101,981,280. These notes are secured by the $97,987,420.40 silver bullion above mentioned, and by 3,993,860 standard silver dollars now in the Treasury. The total amount of standard silver dollars in the Treasury is $403,583,999. Of this amount, $3,993,860 are held as above indicated, $391,225,265 are held for the redemption of an equal amount of silver certificates in circulation, and $8,364,874 are the property of the United States, and constitute a part of the available cash balance in the Treasury. Respectfully yours,

L. J. GAGE, *Secretary.*

BANKERS' ASSOCIATIONS.

REPORTS OF RECENT AND PROSPECTIVE MEETINGS.

AMERICAN BANKERS' ASSOCIATION.

OUTLINE OF THE PROGRAMME OF THE TWENTY-FOURTH ANNUAL CONVENTION.

The Twenty-fourth Annual Convention of the American Bankers' Association will be held at Denver, Colo., from August 23 to 27. The programme, so far as arranged, will be as follows:

On the first day addresses of welcome will be delivered by Gov. Alva Adams on behalf of the State of Colorado, by Mayor T. S. McMurray, who will speak for the people of Denver, and by Hon. Joseph A. Thatcher, President of the Denver Clearing-House Association, representing the associated banks of the city.

The exercises will be opened each day by prayer. On the first day by Rev. Father Malone, of the Catholic Church, on the second day by Rev. Martyn Hart, Dean of the Episcopal Cathedral, and on the third day by Chancellor W. F. McDowell, President of the Denver University (Methodist).

The principal addresses will be as follows:

1. "Patriotic Spirit of Bankers"—J. D. Powers, Owensboro, Ky.
2. "The Bank Clerk"—Jas. T. Hayden, New Orleans, La.
3. "Practical Safeguards Against Check-raising"—A. C. Anderson, St. Paul, Minn.
4. "Thirty-seven Years in a Bank"—E. H. Pullen, New York city.
5. "The Taxation of Banks"—H. M. Burford, Louisville, Ky.
6. "Uniform Laws for Holidays as well as Days of Grace"—Geo. M. Reynolds, Chicago.
7. "The Need of Banking Facilities in Rural Districts"— ——— Royall, Richmond, Va.
8. "Banking as It Relates to Industrial Development"—John W. Faxon, Chattanooga, Tenn.
9. "The Country Banker"—W. S. Witham, Atlanta, Ga.
10. "Banking in the Far West"—J. J. Valentine, San Francisco, Cal.

It is believed that the entertainments and social features of this convention, provided by the local committee representing the bankers and other citizens of Denver, will be of the most pleasing character. What will doubtless prove a novel experience to many will be the opportunity afforded to visit a great mining camp, which has been provided for by an excursion to Cripple Creek—the committee rightly judging that the visitors would appreciate this as much as any form of entertainment that could be devised. Following is a general outline of the entertainments arranged for each day:

Tuesday, August 23, 3 to 6 P. M.—Trolley ride round the city; 9 to 12 P. M.—Reception at Brown Palace Hotel.

Wednesday, August 24, 3 to 6 P. M.—Open day at Overland Park Smelters, Manhattan, Elitch's, etc; 9 to 12 P. M.—Smoker at Athletic Club.

Thursday, August 25, 9 to 12 P. M.—Reception at private residence; 12 P. M.—Midnight start for Cripple Creek.

Friday, August 26—Florence, Cyanide and Cripple Creek.

Saturday, August 27—Colorado Springs, Pike's Peak and Garden of the Gods.

All arrangements concerning quarters for the officers of the association, and for the proper entertainment of the delegates, will be carefully looked after.

MICHIGAN BANKERS' ASSOCIATION.

The Bankers of Michigan held their annual convention at Detroit June 22 and 23. F. W. Hayes, President of the Preston National Bank, Detroit, presided. Mayor Maybury made an address of welcome, to which E. J. Phelps, President of the Kalamazoo National Bank, responded.

George Stickney, Cashier of the National Bank of Grand Haven, read a paper on "The War Taxation of 1861-65 Compared with the Taxation for the Spanish War." S. M. Cutcheon, President of the Dime Savings Bank, Detroit, read a paper in which he urged the desirability of uniform State laws in regard to negotiable instruments. It was decided to have a committee of three present the matter to the Legislature. Mr. Cutcheon will be chairman of the committee.

James G. Cannon, Vice-President of the Fourth National Bank, New York, made a brief address.

In the afternoon the delegates made a trip up the river, and had supper at the Star Island House, returning to the city late in the evening.

At the second day's session a report of a committee was adopted dividing the State into seven groups.

The duties of auditors were thoroughly discussed by A. W. Ehrman, formerly auditor and now Assistant Cashier of the Commercial National Bank of Detroit.

Secretary Wing reported a membership of 186, and Treasurer Stickney a balance on hand of $2,647.42.

F. W. Hayes, the retiring president, was elected delegate to the American Bankers' Association.

The election of officers took place on the boat in the afternoon while the members were enjoying an excursion down the river, as follows:

President—John W. Porter, Cashier Commercial Bank, Port Huron.

Vice-President—E. J. Phelps, President Kalamazoo National Bank.

Second Vice-President—Alex. McPherson, President Detroit National Bank.

Secretary—J. H. Haass, Cashier Home Savings Bank, Detroit.

Treasurer—D. W. Briggs, Cashier Bank of Saginaw.

Executive Council—One year, Clay H. Hollister, Assistant Cashier Old National Bank, Grand Rapids; M. Davison, Cashier Union Trust and Savings Bank, Flint; C. C. Ames, Cashier Union Bank, Jackson; D. L. Quirk, Jr., Cashier First National Bank, Ypsilanti; W. E. Reilly, Cashier Detroit River Savings Bank; two years, H. B. Waldby, Waldby & Clay's State Bank, Adrian; J. T. Shaw, Cashier First National Bank, Detroit; Butler Ives, Detroit; G. H. Young, Cashier Bay City Bank; J. Rowe, Cashier Lansing State Savings Bank; J. Hill, President Oakland County Savings Bank, Pontiac; J. A. S. Verdier, Cashier Kent County Savings Bank, Grand Rapids.

GEORGIA BANKERS' ASSOCIATION.

The seventh annual convention of the Georgia Bankers' Association opened at the South End Hotel, Tybee, Ga., June 15, President John A. Davis in the chair.

Hon. G. W. Charlton and Hon. Pope Barrow welcomed the bankers to Savannah, and President Davis made an appropriate response.

Chairman J. G. Rhea delivered the report of the executive council. G. Gunby Jordan, chairman of a special committee, reported the appointment by the Governor, after legislative action, of a commission to revise the banking laws of the State. He gave assurance that the work would be thoroughly done.

Secretary L. P. Hillyer reported the collection of $930 dues from banks during the year and said 130 Georgia banks are now members of the association, an increase of twenty-five during the year.

An interesting and instructive paper on the subject of "Trust Funds" was read by Joseph A. McCord, Cashier Third National Bank, Atlanta.

At the afternoon session instructive and interesting papers were read by W. L. Mardre, Cashier of the Bank of Stewart County, Lumpkin, on "Banking Business, the Responsibility It Imposes and the Benefits It Confers," and by R. N. Berrien, Jr., Cashier of the Citizens' Bank, of Waynesboro, on "The Unreasonable Competition Between Banks and How to Remedy It."

The second day was largely occupied with informal discussion of banking topics. A resolution was adopted expressing the sense of the convention that the attention of makers of checks should be called to the provision of the new revenue law imposing a stamp tax of two cents on every such instrument.

Officers for next year were chosen as follows:

President—William G. Cann, Cashier Savannah Bank and Trust Co.

First Vice-President—J. G. Rhea, Cashier City National Bank, Griffin.

Second Vice-President—Percy E. May, Cashier National Exchange Bank, Augusta.

Third Vice-President—E. H. Thornton, Cashier Neal Loan and Banking Company, Atlanta.

Fourth Vice-President—B. W. Hunt, Cashier Middle Georgia Bank, Eatonton.

Fifth Vice-President—S. W. Peek, Cashier Hartwell Bank, Hartwell.

Secretary—L. P. Hillyer, Cashier American National Bank, Macon.

Treasurer—G. H. Plant, Vice-President First National Bank, Macon.

Executive Council—Chairman, F. T. Hardwick, Manager C. L. Hardwick & Co., Dalton; R. A. Graves, President Bank of R. A. Graves, Sparta; T. D. Meador, Treasurer American Investment and Loan Co., Atlanta; Tom Eason, President Merchants' Bank, McRae; G. A. Speer, President La Grange Banking and Trust Co., La Grange; F. D. Bloodworth, Cashier National Bank of Savannah; Wm. Slade, Cashier National Bank of Columbus; A. J. Carver, President Dawson National Bank, Dawson; Charles D. Hurt, Cashier I. C. Plant's Son, Macon.

Delegates to American Bankers' Association—J. A. Davis, President First National Bank, Albany; W. S. Witham, Atlanta.

In the evening a banquet was given the convention by the Savannah Clearing-House Association, F. D. Bloodworth, of Atlanta, acting as toastmaster.

The bankers were also entertained by the Savannah Yacht Club.

NEW YORK STATE BANKERS' ASSOCIATION—GROUP VI.

The mid-summer meeting of Group VI of the New York State Bankers' Association was held at the Lake Mohonk Mountain House, Mohonk Lake, Ulster county, N. Y., June 3 and 4. A large number of members and guests went on a special train from New York city to New Paltz, where they were met by carriages and driven to the hotel.

On Friday evening, June 3, a banquet was given, at which about 200 were present. At the close of the banquet Hon. David Cromwell, Chairman of the Group and President of the White Plains Bank and Home Savings Bank, White Plains, welcomed the bankers and their friends to the meeting, and introduced Hon. A. B. Hepburn, President of the New York State Bankers' Association and Vice-President of the National City Bank, New York.

During his remarks Mr. Hepburn called attention to the large favorable balance in our international trade returns and said that the country was now in the midst of an era of unexampled prosperity. He also said that in the future bankers must expect to receive lower rates of interest than heretofore.

Remarks were made by James Wood, of Mount Kisco; Hon. Charles M. Preston, ex-Superintendent of the Banking Department, and Hon. Edward Elsworth, President of the Fallkill National Bank, Poughkeepsie.

After the banquet a reception was held in the main parlor of the hotel. Mrs. David Cromwell, Mrs. Bradford Rhodes, and Mrs. C. F. Van Inwegen assisted at the reception.

The business session of the meeting was held on Saturday morning, June 4, Chairman David Cromwell presiding.

In his opening remarks Mr. Cromwell dwelt upon the practical and social benefits resulting from membership in the association, and in conclusion expressed the hope that the high standard of Group VI would always be maintained.

Secretary T. Ellwood Carpenter, President of the Mount Kisco National Bank, read the minutes of the meeting held at the Dutcher House, Pawling, N. Y., October 21 and 22, 1897.

C. A. Pugsley, President of the Westchester County National Bank, Peekskill, offered the following preamble and resolution:

As chief magistrates, next to the consciousness of duty performed, derive their highest reward from the approving voice of those for whom their time and thought and services are given;

And as the President of this nation, by his serenity, his self-command, his devotion to the country, and his wisdom, has proved to his countrymen his eminent fitness in these times of trial, for the high position to which he has been called by his countrymen; be it

Resolved, That this association gladly tenders to him this expression of our homage to his worth, of our confidence in his ability to guide the State, and of our wish and promise to uphold and sustain him in the serious emergency through which the country is passing in the holy war now being waged against Spain in the interests of human freedom and the rights of man.

Resolved, That the thanks and congratulations of the association be tendered to Rear Admiral Dewey and the gallant officers and marines of the Asiatic squadron for their brilliant and unexampled victory at Cavité, one of the most signal in the history of naval warfare, and which places us at once foremost among the great naval powers of the earth.

Judge Nelson, of Peekskill, seconded the resolutions in an eloquent address eulogizing Admiral Dewey.

The resolutions proposed by Mr. Pugsley were unanimously adopted.

C. F. Van Inwegen, of Port Jervis, on behalf of the executive committee, offered a resolution of regret on the death of Hon. Charles Bray, Vice-President of the First National Bank of Rondout, Kingston. Mr. Van Inwegen testified to Mr. Bray's worth as a man, his clearness of judgment and many sterling qualities. At the suggestion of Mr. Cromwell the resolution was adopted by a rising vote.

Bradford Rhodes, President of the Mamaroneck Bank, offered the following:

Whereas, The intervention of the Government in the business of commercial banking by undertaking to provide the paper currency of the country has always been attended with great danger to the maintenance of the gold standard, has resulted in alternate stringency and expansion having no relation to commercial conditions, and has contributed to severe financial convulsions;

Whereas, The lack of a proper bank-note currency, issued under proper safeguards upon the commercial assets of the country, has hampered the development of many sections of the country, prevented the extension of credit, caused excessive interest charges, and has finally, as a result of these evils, stimulated a demand for the subversion of our financial system and the abandonment of the gold standard;

Whereas, The evils resulting from the issue of Government paper money and the lack of an adequate bank-note currency, by the fetters imposed upon business, the destruction of confidence, and the paralysis of industry, have cost the country many times the cost of any financial system which would leave confidence unimpaired and credit unhampered; and

Whereas, The bill now pending in the House of Representatives, reported by the Committee on Banking and Currency, is directed to the removal of these evils by relieving the

Treasury from the current redemption of legal-tender paper and permitting a well-guarded experiment in the issue of currency upon commercial assets;

***Resolved*, That Group VI, New York State Bankers' Association, hereby cordially recommends to Congress the passage of the banking bill now pending and requests the Senators and Representatives of the State of New York to give it their united support.**

On motion of Mr. Pugsley the resolution was unanimously adopted as read.

Charles F. Van Inwegen, President of the First National Bank, Port Jervis, on behalf of the executive committee, stated that in order to express the group's appreciation of the hospitality of Hon. John B. Dutcher, of Pawling, in entertaining the fall meeting, a testimonial had been prepared in the form of a silver loving-cup, inscribed as follows:

PRESENTED BY GROUP VI, NEW YORK STATE BANKERS' ASSOCIATION,
TO
HON. JOHN B. DUTCHER,
In recognition of his generous hospitality extended to the members of Group VI and their friends at the fall meeting of the Association at
THE DUTCHER HOUSE, PAWLING,
October 21, 1897.

DAVID CROMWELL, *Chairman*. T. ELLWOOD CARPENTER, *Secretary*.

CHARLES F. VAN INWEGEN,
CORNELIUS A. PUGSLEY,
BRADFORD RHODES,
Committee.

It had been intended to present the cup to Mr. Dutcher at this meeting, but he was unable to attend on account of illness. The Chair appointed Messrs. Van Inwegen, Rhodes, and Pugsley a committee to present the cup to Mr. Dutcher at such a time as might suit his convenience.

Hon. A. B. Hepburn made a very practical talk on the War Revenue Bill then pending. He pointed out how all efforts to tax banks unduly worked an injury to the business community.

John I. Platt, of Poughkeepsie, spoke on the necessity for educational work in regard to banking matters, which he thought should be of a primary character to be readily understood.

Before adjourning Mr. Cromwell urged the members to attend the meeting of the State association at Niagara Falls in July, and Mr. Rhodes expressed the hope that they would attend the convention of the American Bankers' Association to be held at Denver beginning August 23.

The mid-summer meeting of Group VI was highly successful, there being a good attendance and the social and business portions of the programme afforded pleasure and instruction.

Not the least notable feature of the meeting, especially to the bankers accustomed to the damp air of the city, was the exceedingly dry atmosphere of Lake Mohonk, which occasioned considerable comment from those to whom the experience was a novelty.

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.

From present indications the convention will be one of the largest and most interesting ever held by the association.

Following is the complete official programme of the convention:

FRIDAY, JULY 22, 1898.

First Session, 10 A. M.

Call to order by the President.
Prayer by Rev. A. S. Bacon.
Annual address by the President.
Report of the Treasurer.
Report of the Secretary.
Announcements.
Nomination of officers, informal ballot.
Miscellaneous business.

Adjournment till 1.30 P. M.

Second Session, 1.30 P. M.

Address: "The Pending Currency Bill"—Judge Robert S. Taylor, of Fort Wayne, Ind., a prominent member of the Indianapolis Monetary Commission.

Hon. Lyman J. Gage, Secretary of the Treasury, has accepted the association's invitation to be present and deliver an address, subject to possible detention by official engagements.

Members present are invited to participate in the discussion of this subject.

At 7.30 P. M. a banquet, at the expense of the association, will be served. The secretary will furnish each delegate a ticket for himself and one lady.

Hon. Wm. H. McElroy, of Rochester, N. Y., and General Thomas L. James, of New York city, and other prominent gentlemen, will respond to toasts.

The programme will be interspersed with songs and recitations.

SATURDAY, JULY 23, 1898.

At 9 A. M., excursion over the Gorge Railroad to Lewiston, and return.

At the same hour an opportunity will also be afforded to visit the power plants of the Niagara Falls Hydraulic Power and Manufacturing Company, and the Niagara Falls Power Company.

Tickets will be furnished without charge on application to the secretary.

Third Session, 1.30 P. M.

Call to order by the President.

Prayer by Rev. G. F. Rosenmuller.

Address: "The Community of Interests between Mercantile and Bank Credits." F. R. Boocock, of New York city, Secretary of the National Association of Credit Men.

The general subject of Credits will be open for discussion by the association, led by W. H. Rainey, Cashier National Union Bank, Kinderhook, N. Y.; E. O. Eldredge, Cashier Owego National Bank, Owego, N. Y., and A. C. Barnes President Astor Place Bank, New York city.

Address: "Express Money Orders, Their Relation to Banking and General Business"—L. C. Weir, of New York city, President Adams Express Company.

All papers will be open for discussion by the association.

Reports of committees.

Miscellaneous business.

Election of officers.

Introduction of President-elect.

Adjournment.

At 9 P. M. there will be a reception in the parlors of the hotel, enlivened by music, songs, readings and dancing.

GENERAL INFORMATION.

Special rates of one and one-third fares for the round trip have been secured through the Trunk Line Passenger Association. Each delegate availing himself of this reduction will pay full first-class fare going to the convention, and take a certificate filled on one side by the agent from whom the ticket is purchased. Agents at all important stations and all coupon ticket offices are supplied with certificates. If a ticket agent at a local office is not supplied, he can inform the delegate of the nearest important station where a certificate can be obtained. In such case, the delegate should purchase a local ticket to that station and there take his certificate and buy his through ticket to Niagara Falls. These certificates will be endorsed by the secretary of the convention, to whom they must be delivered on arrival, and *vised* by a special agent of the Trunk Line Association on Saturday, and then the holder will be entitled to a return ticket at one-third the regular fare. Delegates should present themselves at the railroad ticket offices for their certificates and return tickets at least thirty minutes before the departure of trains.

International Hotel and Prospect House give reduced rates to delegates. International, per day, double $3, single $3.50, with bath $4.50; Prospect House, $3.

There will be a Bureau of Information at the secretary's office for the benefit of visitors who may desire to inspect any of the numerous attractions about the Falls, and tickets will be sold at reduced rates. Carriages with reliable drivers will be furnished at reasonable prices. There will be a complete church directory for those who will spend Sunday at the Falls.

The excursion on the Gorge Railroad, exhibition of the great power plants, the banquet, and the reception are free to the delegates and ladies.

The officers of the association earnestly desire a large attendance of ladies, and particular attention will be given to their comfort and pleasure during the convention.

Special reception committees of five gentlemen from each group have been appointed to introduce delegates to each other; identification badges will be furnished, and every effort will be used to make the acquaintance general between the delegates from all parts of the State.

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.

Charles Adsit, Cashier of the First National Bank, Hornellsville, N. Y., is chairman of the committee of arrangements.

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.

TENNESSEE BANKERS' ASSOCIATION.

The Tennessee Bankers' Association met in annual convention at Monteagle, Tenn., June 22. After prayer by Rev. Dr. Summy, of Clarksville, an address of welcome was made by Dr. G. W. Drake, which was responded to by L. S. Parks, Cashier of the First National Bank, Union City.

President S. J. Keith, President Fourth National Bank, Nashville, delivered his annual address, in which he dwelt at length on the marked improvement noticeable in the business world and also made many practical suggestions on banking methods and means for preventing defalcations.

On motion of Herman Justi, of Nashville, a vote of thanks was tendered to President Keith for his interesting and valuable address.

Secretary John W. Faxon, Assistant Cashier of the First National Bank, Chattanooga, read his annual report. He was extended a vote of thanks for the zeal and fidelity shown in the discharge of his duties.

F. O. Watts, Cashier of the First National Bank, Nashville, and L. S. Parks, Cashier of the First National Bank, Union City, were appointed as a committee to prepare resolutions in regard to the recent death of A. J. Rooks, formerly Cashier of the Fayette County Bank, Somerville.

Herman Justi, of Nashville, moved that a petition be sent to the Bureau of Internal Revenue, asking that an office for printing revenue stamps for banking uses be located in one of the large cities of Tennessee. The motion carried.

Secretary Faxon read a paper on "Commercial Prosperity."

At the evening session Mr. Justi read a paper on "Plain Facts for Fair Minds." He was tendered a vote of thanks for his paper.

A paper on "Indorsements" was read by the Secretary, containing suggestions for preventing frauds.

The meeting adjourned at 9 P. M. in order to attend a reception at the Inn, given in honor of the convention by the ladies of Monteagle Assembly.

At the second day's session, L. S. Parks, Cashier of the First National Bank, Union City, read a resolution requiring bank customers to pay for their own revenue stamps, which was adopted.

T. W. Wrenne, Vice-President of the Plater & Wrenne Banking Co., Nashville, read his resolution on "Methods of Keeping State Funds Within State Limits," and pursuant thereto a committee of five was appointed to gather statistics of moneys paid outside for insurance, interest, etc., which committee shall consist of the president, secretary and three members appointed by the executive committee. Their report is to be made at the next annual meeting of the association.

Secretary Faxon read a paper entitled "How Banks Help the People."

On motion of J. L. Hutton, Cashier of the Phœnix Bank, Columbia, a vote of thanks was tendered Mr. Faxon, and his paper ordered entered in the minutes.

The following were elected to fill the offices during the ensuing year:

President—F. O. Watts, Cashier First National Bank, Nashville.

Vice-President—Alex. B. White, Cashier Commercial Bank, Paris.

Vice-Presidents—F. B. Martin, Cashier Traders' National Bank, Tullahoma; S. T. Jones, Cashier Bank of Sweetwater.

Secretary—J. W. Faxon, Assistant Cashier First National Bank, Chattanooga.

Treasurer—F. A. Pattie, Cashier Bank of Winchester.

Executive Committee—Chairman, L. S. Parks, Cashier Union City Bank; E. G. Oates, Cashier Mechanics' National Bank, Knoxville; L. M. Williams, Newbern Bank.

President Keith then introduced his successor, President Watts, who made a brief speech.

Herman Justi read the report of the committee on resolutions, which was accepted.

The meeting then adjourned *sine die.*

NEW COUNTERFEIT $10 LEGAL-TENDER NOTE.—Series of 1880; check letter C; plate number 8; J. Fount Tillman, Register; D. N. Morgan, Treasurer; small scalloped carmine seal; portrait of Webster. It is apparently printed from photo-mechanical plates, more than ordinarily well executed, on two pieces of paper pasted together, between which silk threads have been distributed. The numbering of the note is of fairly good color, but out of alignment, and the figures poorly formed. The white outlines of the photographed original numbers can be discerned beneath the counterfeit. The seal is too dark, being red instead of light carmine. The back of note has a good general appearance, but much of the lathe work is blurred and indistinct. The silk threads used are too heavy and not well distributed. The number of the note at hand is A13277084. This counterfeit is well calculated to deceive persons not expert. No attempt has been made to "doctor" or give the note the appearance of age.

Changed His Point of View.—The case of M. Guyot, the French socialist, proves that human nature is not easily changed by following a theory. He recently made a speech in which he demanded a division of property, but shortly after drew a prize of 500,000 francs in a lottery and when a brother socialist asked him for a division of the prize it was found that he had suddenly changed his views about socialism and property division.—*Omaha Bee.*

THE PROPOSED CHANGES IN THE BANKING AND CURRENCY LAWS.

On June 15, Hon. James T. McCleary, from the Committee on Banking and Currency, submitted to the House a report to accompany bill, H. R. 10289, entitled "A Bill for Strengthening the Public Credit," etc. A digest of this report has been printed in previous numbers of the MAGAZINE (April number, 571; June number, 838). Some additional arguments from the committee's report are given below:

The bill proposes to recognize the principle that "the wealth of the country should be the basis of its currency," and that the special bond security should be abolished.

Such a currency, made absolutely safe, based upon and springing out of the production of the people, always proving responsive to their requirements and adequate to their needs, is truly a currency of the people and will serve them better and protect their interests more fully than any other can, provided always that it is kept as good as gold in their hands, by current redemption in that metal which is used as the standard of value by all the civilized world.

The purpose of this measure is to give to the cotton and wheat grower, the cattle-feeder, and the manufacturer a lower rate of interest when its full advantages are attained, in every part of the United States, and a currency ample for the legitimate requirements of the farm and the factory. It applies to our present banking system the principle of credit currency, which has been in practice in Scotland for more than two hundred years, and been aptly described as follows:

"It has provided Scotland with an elastic currency adapted to the conditions of her industries and adequate in volume to their changing needs. It has afforded an opportunity for entering business to thousands of poor but honest men and enabled them to lay the foundation of a comfortable home, and, in many cases, of a fortune.

It has convinced the people so conclusively of the value and safety of the banking currency system that no serious panic has ever lasted beyond a few days or has ever affected any of the banks except those which were justly the subject of distrust." (Conant's History of Modern Banks of Issue, p. 155.)

It is believed that every good feature of our present system is preserved. No change is made except where it is imperatively demanded in the public interest. The great merit of our present system is the uniform goodness of all the bank notes. "Every note of every bank, no matter what the bank, where it is, or what its condition, being secured in precisely the same manner and degree, passes current everywhere without a thought of discrimination." The bill continues this plan of having all the bank notes "secured in precisely the same manner and degree." This necessitates the continuance of the policy of restricting the note-issuing power to banks operating under authority of the General Government; that is, all bank notes will be issued by "National" banks. As now, these banks may be organized in any part of the United States by any number of persons not less than five. For the benefit, however, of communities of small population, it is provided that where the population is less than 3,000 the capital required shall be only $25,000. Persons desiring to establish a National bank must, as now, satisfy the Comptrollers of the Currency that they possess the requisite character and financial standing and that the capital is fully paid in. As now, the engraving and printing of the notes will be done by the United States Government, the expense being paid by the banks, respectively. This will enable the Comptrollers of the Currency to control the volume within the limits provided by law. It will at the same time preserve the uniformity of appearance of the notes (thus, as now, facilitating their currency), and the superior execution and special paper will continue to practically prevent counterfeiting. The inspection will continue to be by officers of the United States, but new safeguards have been added to render the supervision even more effective than it has been.

On account of their demonstrated safety, the bond-based notes are thought well of everywhere. And in some parts of the country, where there is a surplus of accumulated capital seeking investment even at a low rate, these notes may be issued at a reasonable profit. It seemed only right, therefore, as well as prudent, not to put anything in the way of the continued use of this class of notes where they are desired, until by the payment of our National debt the basis will of necessity be removed. And all the conditions of their issue remain the same as now, except that notes are issued to the par of the bonds and to the full amount of the capital, instead of being limited to ninety per cent. as now, and the tax on circulation is removed. The ninety per cent. limit was imposed at a time when the credit of the Government was low and it was deemed advisable to provide in this way a margin of safety. As the National bonds now bear a premium, and in view of the specific recommendation in the last annual message of the President, it seemed that the least that should be done would be to allow the issue to par.

Illustrations of the Workings of the Plan.

How would a New England bank probably act? In New England loanable capital is abundant. The people are very conservative, and the banks of that section will probably be slow to adopt the new note issue. A bank in Rhode Island, for example, will probably deposit bonds to an amount approximating its capital, take an amount of National reserve notes not very greatly in excess of the minimum requirement, and none of the new notes. After the success of the new note has been demonstrated, after its entire safety and great desirability have been thoroughly established through some years of experience, then the new note will be gradually taken out there as elsewhere.

How would a Minnesota bank probably act? Minnesota is possessed of immense undeveloped resources. Capital invested with reasonable prudence yields large returns. Though possessed of much wealth for a young State, there are so many openings for profitable investment that there is large demand for loanable capital at a good rate of interest. A bank in Minnesota, therefore, would probably take at once the maximum permitted; that is, it would take out bond-based notes to the amount of forty per cent. of its capital, reserve notes to the same amount, and thereby secure the right to issue the new form of note to the amount of forty per cent. of its capital. And each year after four years from the passage of this Act, it would reduce the amount of its bond-based notes, as provided in this bill, so that at the end of eight years from the passage of this Act the Minnesota bank would be able to use its credit in the form of untaxed bank notes to the extent of eighty per cent. of its capital, and with the same profit to itself and its customers as it can now use its credit to be drawn upon by check.

How the New Notes are Rendered Absolutely Safe.

As has been said, a bank note is practically the same thing as the demand upon a bank expressed in a check. Before a bank will give to any person the right to check against it, it will require that person to deposit either cash or something else readily convertible into cash. Before giving out its note, too, the bank will require the person to whom it is given to make a similar deposit. The ideal condition will be reached when, the person having made the necessary deposit, the bank can furnish him either a check book or its notes with equal ease and at equal cost, leaving the customer to select the form of demand obligation which will best serve his legitimate business purposes. As a matter of fact, the same management of the bank which will render the check safe will make the note safe. But, as has been said earlier, the note is to go everywhere and be used by people unacquainted with each other or with the bank. To facilitate its use, therefore, it must be issued under a system which can be readily understood and which will give to the people generally such assurance of the goodness of the note that it will be accepted without hesitation by everyone. What, then, are the provisions of this bill whereby the safety of the note issues is secured and made uniform throughout the country?

(1) Uniformity of regulation. Every bank of issue is established under national law and is subject to national supervision. And the laws and regulations are so carefully drawn as to reduce to the minimum the opportunity for organization without ample guaranty of responsibility and good faith.

(2) Uniformity of note form. Familiarity of appearance, if previous experience has been satisfactory, conduces to ready reception. The resemblance of all the bank notes to each other will continue to be an important item in giving them currency.

(3) Limitation of issues. The bank note issue of any bank can not at most exceed the amount of its paid-up and unimpaired capital.

(4) Redemption agency. Each bank of issue may be required, under regulations to be prescribed by the Comptrollers, to make arrangements with some bank of well-known responsibility in a reserve city to redeem on presentation its notes, just as banks now make arrangements for the care of their checks and drafts. This will be another test of the standing of the bank.

(5) First lien. The bank note has the first lien on the assets of the bank.

(6) Double liability of the stockholder. The lien of the note takes precedence of everything else as to the double liability of the stockholders.

(7) **Bank note guaranty fund.** Each bank in the system places in the hands of the Government a sum in gold coin, equal to five per cent. of this class of notes issued to it, to be placed in what is called the "bank note guaranty fund." These sums constitute one fund, and from this fund (which will be a very large one) the notes of any failed bank will be promptly paid on presentation at any sub-Treasury in the United States.

(8) **Assessment.** If at any time the money in the guaranty fund should run low, the Comptrollers are authorized to assess each bank in the system each year to the extent of one per cent. of these notes issued to it. Starting with the year following the resumption of specie payments, Mr. A. O. Eliason has examined all the bank failures whose accounts have been closed, numbering one hundred and one, and found that had all the banks in the national system issued an amount of currency equal to their capital, or one hundred per cent., the assessment on the same to cover losses would have been infinitesimal, being only one-nineteenth of one per cent. per annum.

Recalling, however, that the banks deposit with the Government in gold coin an amount equal to five per cent. of the notes issued for their redemption in case of bank failures, it is therefore clear that the currency will be safe beyond a peradventure.

In other words, briefly stated, the safety of the notes is secured on the mutual insurance plan, all the banks in the system being behind each bank.

An apt and striking contrast of the power of commerce to maintain the parity of the currency, as compared with that of a Government, is found in the splendid record of the Bank of France during the Franco-Prussian war, and our lamentable experience during and after the rebellion. Though the German army swept everything before it and took possession of Paris, though the Emperor became a prisoner, the discount upon the notes of the Bank did not exceed two and one-half per cent., and that only for a few months; while in the United States, although our territory was practically never invaded by the enemy, with a Government issue in the form of greenbacks, our paper was at a discount for eighteen years, the greenbacks being worth at one time only thirty-five cents on the dollar or were at a discount of sixty-five per cent. During all those years the middlemen and speculators were reaping a harvest that was only possible because of a depreciated currency.

The Security of Depositors Increased.

The bill gives to the note holder, or to the Government in his interest, a paramount lien on the assets of the bank. Is this just to the depositors? Is it good public policy?

The note holder is himself a depositor. The one to whom the note was originally handed by the bank certainly gave to the bank, deposited therein, an equivalent. He was therefore certainly a depositor. In passing the note to the second holder the first holder transferred, for value received, to the second his right to the original deposit. And so on with each transfer of the note. The possession of the note is the tangible evidence that the holder has succeeded to the first holder's right as a depositor. The fact that the claim is in the form of a note shows that the note holder is likely to be a non-resident of the place where the bank is located. The depositor, on the other hand, is likely to reside in or near the home town of the bank. He makes his deposit to serve his own personal purposes. He is at hand to keep an eye on the management of the bank; able, in some measure at least, to keep track of its operations. If at any time he feels insecure he can promptly regain possession of his deposit. The note holder, equally a depositor, can not in the nature of the case thus watch over his own interests. If either must lose, it seems clear that the note holder should not be that one. In justice and equity his should be a preferred claim.

It is for the public interest that the bank note, in order that it may be most serviceable as currency, should pass from hand to hand without the receiver being required to take time to examine into the standing of the maker. In the interest of the public, therefore, the unquestionable goodness of the note must be guaranteed by the system under which it is issued. And in order that the system may furnish this unquestioned guaranty, it is necessary that the notes be given priority of other obligations. The giving of this precedence to the notes is, therefore, in harmony with good public policy.

It is right, then, both in equity and in public policy to give to the note holder the prior lien on the assets of the bank.

Does this priority of lien, proposed in the bill, lessen the security now possessed by depositors? It does not. This priority of lien by the note holder is recognized fully by the present system. Under the present law the assets necessary to secure the note holder are taken in advance absolutely out of the control of the bank and are placed, in the form of Government bonds, in the custody of the Government as trustee for the note holder. Under the proposed plan, the assets are left with the bank for the use of its customers, except a small contribution for the guaranty fund, and the lien is used only in case of necessity. The lien in the one case is no greater than in the other. In both cases the safety of the depositor depends upon the

Table Showing Increase of Note-Issuing Power Under Proposed Law.

(Compiled by the Actuary of the Treasury Department.)

	Capital stock (Feb. 18, 1898).	Loanable power under existing law.	Loanable power under proposed law at beginning.	Loanable power under proposed law after 8 years.
Maine	$11,121,000	$8,644,042	$14,234,880	$19,128,120
New Hampshire	5,815,000	4,519,837	7,443,200	10,001,800
Vermont	6,985,000	5,429,245	8,940,800	12,014,200
Massachusetts	43,877,500	34,104,752	56,163,200	75,469,300
Boston	49,350,000	38,358,273	63,168,000	84,882,000
Rhode Island	19,337,050	15,030,147	24,751,424	33,259,726
Connecticut	21,541,070	16,743,271	27,572,570	37,050,640
Total of New England States	158,026,620	122,829,667	202,274,074	271,805,786
New York	31,607,940	24,567,967	40,458,163	54,365,657
New York City	48,900,000	38,008,600	62,592,000	84,108,000
Albany	1,550,000	1,204,772	1,984,000	2,666,000
Brooklyn	1,352,000	1,050,872	1,730,560	2,325,440
New Jersey	14,445,000	11,227,694	18,489,600	24,845,400
Pennsylvania	40,709,445	31,642,312	52,108,089	70,020,245
Philadelphia	20,915,000	16,256,644	26,771,200	35,973,800
Pittsburg	12,300,000	9,560,446	15,744,000	21,156,000
Delaware	2,083,985	1,619,823	2,667,501	3,584,454
Maryland	3,746,700	2,912,205	4,795,776	6,444,324
Baltimore	13,243,260	10,293,615	16,951,373	22,778,407
District of Columbia	252,000	195,872	322,560	433,440
Washington City	2,775,000	2,156,930	3,552,000	4,773,000
Total of Eastern States	193,880,330	150,697,752	248,166,822	333,474,167
Virginia	4,646,300	3,611,439	5,497,264	7,991,636
West Virginia	3,351,000	2,604,638	4,289,280	5,763,720
North Carolina	2,651,000	2,060,548	3,393,280	4,559,720
South Carolina	1,898,000	1,475,262	2,429,440	3,264,560
Georgia	3,166,000	2,460,843	4,052,480	5,445,520
Savannah	750,000	582,954	960,000	1,290,000
Florida	1,150,000	893,863	1,472,000	1,978,000
Alabama	3,355,000	2,607,747	4,294,400	5,770,600
Mississippi	855,000	664,568	1,094,400	1,470,600
Louisiana	860,000	668,454	1,100,800	1,479,200
New Orleans	2,300,000	1,787,726	2,944,000	3,956,000
Texas	18,642,040	14,489,936	23,861,811	32,064,309
Houston	1,150,000	893,863	1,472,000	1,978,000
Arkansas	1,070,000	831,681	1,369,600	1,840,400
Kentucky	8,289,900	6,443,507	10,611,072	14,258,628
Louisville	3,000,000	2,331,816	3,840,000	5,160,000
Tennessee	8,535,000	6,634,017	10,924,800	14,680,200
Total of Southern States	65,669,240	51,042,862	84,056,627	112,951,093
Ohio	27,967,030	21,737,989	35,797,798	48,103,292
Cincinnati	7,800,000	6,062,722	9,984,000	13,416,000
Cleveland	9,775,000	7,597,834	12,512,000	16,813,000
Indiana	13,732,000	10,673,499	17,576,960	23,619,040
Illinois	17,796,000	13,832,332	22,778,880	30,609,120
Chicago	18,950,000	14,729,304	24,256,000	32,594,000
Michigan	8,595,000	6,680,653	11,001,600	14,783,400
Detroit	3,300,000	2,564,998	4,224,000	5,676,000
Wisconsin	6,810,000	5,293,222	8,716,800	11,713,200
Milwaukee	3,250,000	2,526,134	4,160,000	5,590,000
Minnesota	4,815,000	3,742,565	6,163,200	8,281,800
St. Paul	3,800,000	2,953,634	4,864,000	6,536,000
Minneapolis	4,500,000	3,497,724	5,760,000	7,740,000
Iowa	12,090,000	9,397,218	15,475,200	20,794,800
Des Moines	800,000	621,818	1,024,000	1,376,000
Missouri	3,615,000	2,809,838	4,627,200	6,217,800
St. Louis	8,400,000	6,529,085	10,752,000	14,448,000
Kansas City	2,300,000	1,787,726	2,944,000	3,956,000
St. Joseph	350,000	272,045	448,000	602,000
Total of Middle States	158,645,030	123,310,340	203,065,638	272,869,452
North Dakota	1,555,000	1,208,658	1,990,400	2,674,600
South Dakota	1,635,000	1,270,840	2,092,800	2,812,209
Nebraska	5,875,000	4,566,473	7,520,000	10,105,000
Lincoln	800,000	621,818	1,024,000	1,376,000
Omaha	3,750,000	2,914,770	4,800,000	6,450,000
Kansas	8,517,100	6,620,103	10,901,888	14,649,412
Montana	2,555,000	1,985,930	3,270,400	4,394,600
Wyoming	860,000	668,454	1,100,800	1,479,200
Colorado	4,907,000	3,814,074	6,280,960	8,440,040
New Mexico	600,000	466,363	768,000	1,032,000
Oklahoma	250,000	194,318	320,000	430,000
Indian Territory	660,000	512,999	844,800	1,135,200
Total of Western States	31,964,100	24,844,800	40,914,048	54,978,252

Table Showing Increase of Note-Issuing Power Under Proposed Law.—Continued.

	Capital stock (Feb. 18, 1898).	Loanable power under existing law.	Loanable power under proposed law at beginning.	Loanable power under proposed law after 8 years.
Washington	$3,978,000	$3,091,988	$5,091,840	$6,842,160
Oregon	3,020,000	2,347,361	3,865,600	5,194,400
California	4,875,000	3,789,201	6,240,000	8,385,000
San Francisco	6,000,000	4,663,632	7,680,000	10,320,000
Idaho	600,000	466,363	768,000	1,032,000
Utah	1,750,000	1,360,226	2,240,000	3,010,000
Nevada	82,000	63,736	104,960	141,040
Arizona	400,000	310,909	512,000	688,000
Total of Pacific States	20,705,000	16,093,416	26,502,400	35,612,600
Total of United States	628,890,320	488,818,837	804,979,609	1,081,691,350

United States 4 per cent bonds of 1907, at 110 net, are taken as a basis.

Extent to which Banks in Different Sections Issue Currency in Excess of that Corresponding to the Minimum Bond Deposit Permitted by Law.

Groups.	Number of banks.	Capital.	Maximum issue permissible.	Issue on required bond deposit.	Circulation actually issued.	Amount actually issued in excess of issue on required bond deposit.
EAST.						
New Hampshire	50	$5,830,000	$5,247,000	$1,311,750	$3,514,295	$2,202,545
Vermont	49	6,985,000	6,286,500	1,324,125	3,765,422	2,441,297
Rhode Island (outside Providence)	33	4,715,250	4,243,725	1,014,750	2,756,868	1,742,118
Total	132	17,530,250	15,777,225	3,650,625	10,036,585	6,385,960
WEST.						
Nebraska	104	10,475,000	9,427,500	1,828,125	2,028,893	200,768
Kansas	103	8,567,100	7,710,390	1,691,347	2,111,454	420,107
Missouri (outside St. Louis)	57	6,415,000	5,773,500	1,162,125	1,377,890	215,765
Total	264	25,457,100	22,911,390	4,681,597	5,518,237	836,640
SOUTH.						
North Carolina	27	2,701,000	2,430,900	585,225	643,492	58,267
South Carolina	16	1,898,000	1,708,200	393,300	451,025	57,725
Florida	15	1,150,000	1,035,000	258,750	300,830	42,080
Alabama (outside Selma)	25	2,955,000	2,659,500	591,750	697,670	105,920
Mississippi	10	855,000	769,500	192,375	216,410	24,035
Arkansas	9	1,220,000	1,098,000	252,000	258,890	6,890
Total	102	10,779,000	9,701,100	2,273,400	2,568,317	294,917

way in which the bank is managed. Inasmuch as the proposed plan provides for even more careful supervision than the present law, the security of the depositor is increased rather than diminished by it.

Interest Rates will be Lowered.

The banker of to-day is not a money changer in any sense, but a merchant in the same sense that the storekeepers of the town are merchants; for if you should look over the notes held by him you would find only another form of the goods in the various stores. He has collected the savings of one class and loaned them to another. As the goods are sold off and retailed out the proceeds are applied to the payment of these same notes which were originally given to pay for them.

Now, it is self-evident that any system of banking that will cut down the rates of interest on the notes of merchants and men engaged in productive industry will prove an inestimable blessing to the great mass of our people. When it is recalled that manufactured articles pass on an average through three distinct mercantile hands, and are carried largely on borrowed capital, from the raw material to the finished product, it is a matter of the greatest importance whether the rate of interest paid is two or ten per cent. In fact, such a divergence in the interest rate of any country means success or failure, prosperity or poverty.

Under this bill, when the full advantages are realized, the bank with $100,000 capital will be authorized to issue $80,000 of its credit notes, or have, in other words, after deducting the guarantee fund deposited with the Government, $176,000 of gold coin and currency to loan its customers. Four per cent. interest on the latter amount will produce the same income as seven per cent. on the former. Therefore, the people will have the use of nearly double the amount of coin and currency at about one-half the rate of interest they are now compelled to pay. Thus, 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. 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 toward the money centers.

Believing that this bill, if enacted into law, will relieve the Treasury by destroying the "endless chain;" will greatly diminish the amount of gold reserve required to be kept by the Government, and practically stop bond issues for its replenishment; will diminish the possibility and severity of panics; will provide a sound, ample and elastic currency, responsive to the demands of trade in all sections and at all seasons; and will materially reduce interest rates, especially in the parts of the country where such rates are now high, the Committee on Banking and Currency respectfully recommend that the bill do pass.

Silver.—The price of silver advanced to 27⅞d per ounce in London on June 3 but reacted subsequently, later recovering to 27 5-16d which was the closing price for the month. This leaves the price 7-16d higher than it was a month ago.

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..	30⅛	30⅞	29 11/16	29 11/16	26¾	26 1/16	July......	31⅝	31⅜	27 11/16	26⅝		
February	31 3/16	30¾	29¾	29 11/16	26¼	25 3/16	August ..	31⅜	30⅝	26½	23¾		
March....	31 11/16	31⅛	29⅝	28 5/16	26 1/16	25	Septemb'r	30 11/16	30	27¼	23¾		
April.....	31 5/16	30 13/16	28⅛	28 5/16	26 5/16	25 11/16	October..	30 5/16	29¾	27½	26		
May......	31 5/16	30 13/16	28 3/16	27⅝	26⅞	25⅝	Novemb'r	30 5/16	29¾	27½	26⅜		
June.....	31 9/16	31 9/16	27¾	27⅛	27⅛	26 11/16	Decemb'r	30	29 13/16	27¾	25 5/16		

Foreign Exchange—Actual Rates on or about the First of Each Month.

	March 1.	April 1.	May 1.	June 1.	July 1.
Sterling Bankers—60 days	4.81¾— 2	4.80¾— 1	4.80¾— 1	4.84 — ¼	4.84¼— ½
" " Sight........	4.84 — ½	4.83¾— 4	4.84 — ¼	4.86¼— ½	4.85¾— 6
" " Cables.......	4.84½— ¾	4.84¼— ½	4.84¾— 5	4.86½— ¾	4.86 — ¼
" Commercial long	4.80½— 1½	4.80 — ¼	4.80 — ¼	4.83½— ¾	4.83½— 4¼
" Docu'tary for paym't.	4.80½— 1½	4.79½—80½	4.79½—80½	4.82¾— 3¼	4.82¾— 3½
Paris—Cable transfers	5.21¼—20⅝	5.22½— 1⅞	5.21⅞— ¼	5.19⅜—	5.19⅜— 8¾
" Bankers' 60 days.........	5.23⅛—	5.24⅜—	5.23¾—	5.21⅞— ¼	5.21¼—20⅝
" Bankers' sight...........	5.21⅞— ¼	5.23⅛— 2½	5.22½— 1⅞	5.20 1/16—	5.19⅜ —
Antwerp—Commercial 60 days.	5.25⅝—25	5.27½— 6⅞	5.28⅛— 7½	5.24⅜— 3¾	5.23⅛— 2½
Swiss—Bankers' sight...........	5.23¾— ⅛	5.25 — 4⅜	5.24⅜— ¾	5.21⅞— ¼	5.20⅝— 1 1/16
Berlin—Bankers' 60 days........	94 5/16— ⅝	93 15/16— 4	93 13/16— ⅞	94 9/16— ⅝	94¾— 13/16
" Bankers' sight..........	94⅝— 11/16	94⅜— 7/16	94 5/16— ⅜	95 — 1/16	95¼— 5/16
Brussels—Bankers' sight.........	5.22½— 1⅞	5.23¾—	5.23⅛—	5.20⅝—	5.20 —19⅝
Amsterdam—Bankers' sight....	40⅛— 3/16	39 15/16—40	40 — 1/16	40¼— 5/16	40¼— 5/16
Kronors—Bankers' sight	26¾— 13/16	26¾— 13/16	26 11/16— ¾	26 13/16— ⅞	26 13/16— ⅞
Italian lire—sight..............	5.49⅜ — 6⅞	5.52⅝—49⅝	5.60 —57	5.59⅛— 2¼	5.58½— 5½

THE GOVERNMENT LOAN.

On June 13 the President approved the new revenue law enacted for the purpose of providing funds to meet the expenses of the war with Spain. Under authority of this law the Secretary of the Treasury has issued the circular given below. While the subscriptions will not be made public until July 14, it is certain that the loan will be a great success, and that it will be largely over-subscribed. Following is the text of the circular inviting subscriptions to the loan:

1898,
DEPARTMENT CIRCULAR NO. 101,
DIVISION OF LOANS AND CURRENCY.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
WASHINGTON, D. C., June 13, 1898.

The Secretary of the Treasury invites subscriptions from the people of the United States for $200,000,000 of the bonds of the 3 per cent. loan authorized by the Act of Congress to provide ways and means to meet war expenditures. Subscriptions will be received at par for a period of thirty-two days, the subscription being open from this date to 3 o'clock P.M. on the 14th day of July, 1898. The bonds will be issued in both coupon and registered form, the coupon bonds in denominations of $20, $100, $500 and $1,000, and the registered bonds in denominations of $20, $100, $500, $1.000 $5,000, and $10,000. They will be dated August 1, 1898, and, by their terms, will be redeemable in coin at the pleasure of the United States after ten years from the date of their issue, and due and payable August 1, 1918.

The bonds will bear interest at the rate of 3 per cent. per annum, payable quarterly; the interest on the coupon bonds will be paid by means of coupons, to be detached from the bonds as the interest becomes due, and the interest on the registered bonds will be paid by checks drawn to the order of the payees, and mailed to their addresses.

The law authorizing this issue of bonds provides that in allotting said bonds the several subscriptions of individuals shall be first accepted, and the subscriptions of the lowest amounts shall be first allotted. In accordance with that provision allotments to all individual subscribers will be made before any bonds will be allotted to other than individuals. All individual subscriptions for $500 or less will be allotted in full as they are received, and such subscriptions must be paid in full at the time the subscription is made. If the total sum subscribed for in amounts of $500 or less should exceed $200,000,000 the allotments will be made according to the priority of the receipt of the subscriptions.

Allotments on subscriptions for over $500 will not be made until after the subscription closes, July 14th, and will then be made inversely according to the size of the subscription, the smallest subscription being first allotted, then the next in size next, and so on, preference being given to individual subscriptions. Persons subscribing for more than $500 must send in cash or certified checks to the amount of 2 per cent. of the sum subscribed for, such deposit to constitute a partial payment, and to be forfeited to the United States in the event of failure on the subscriber's part to make full payment for his subscription, according to the terms of the circular. Allotments to subscribers for more than $500 will be made as soon as possible after the subscription closes.

In order to avoid a too rapid absorption of funds into the Treasury, with a possible consequent evil effect on industry and commerce, any subscriber for more than $500 will be permitted to take his allotment of bonds in instalments of 20 per cent., taking the first instalment within ten days after the notice of the allotment, and the balance at four equal intervals of forty days each, in four instalments each of 20 per cent. of the bonds allotted. Delivery of bonds will be made in instalments as payment for them is received, and payment must in all cases be made in full as the bonds are taken. The 2 per cent. deposit will apply on the final instalment. Any subscriber may pay for the whole amount allotted him within ten days from the date of the notice of his allotment. Interest will be adjusted from the time of the actual payment, whether paid in one sum or in instalments as permitted. Separate subscriptions from one individual, although made from time to time, will be aggregated and considered as one subscription for this issue of bonds.

The Secretary of the Treasury will receive in payment for the bonds post-office money orders payable at Washington, D. C., and checks, bank drafts, and express money orders collectible in the cities of New York, Boston, Philadelphia, Baltimore, Washington, Cincinnati, Chicago, St. Louis, New Orleans, and San Francisco. All money orders and bank drafts must be drawn in favor of the Treasurer of the United States. The money orders and bank checks so received will be forwarded for collection by the Department, and as soon as returns are obtained the subscriber will be credited with the amount of his subscription as of the date of collection. The Secretary will also receive in payment for the bonds certificates of deposit issued by the Assistant Treasurers of the United States in the above-named cities. These certificates of deposit may be obtained from any Assistant Treasurer in exchange for gold coin, gold certificates, standard silver dollars, silver certificates, United States notes, Treasury notes of 1890, and National bank notes; and the subscriber will be credited with the amount of his subscription as of the date of the certificate of deposit. The Secretary will also receive currency sent by registered mail or by express direct to the Treasury Department.

For the mutual convenience of the subscribers and the Department, a blank form of letter to accompany remittances has been prepared, and it may be obtained at the offices of National and State banks generally, at the several sub-Treasuries of the United States, at any money-order post office, and at any express office.

The bonds will be dated August 1, 1898, and they will be forwarded to subscribers at the address designated by them free of expense for transportation as soon after that date as possible. The bonds will be accompanied by a check for the amount of interest due the subscriber at the rate of 3 per cent. from the date of his payment to August 1, 1898.

All remittances and other communications relative to this loan should be addressed to the Secretary of the Treasury, Division of Loans and Currency, Washington, D. C.

All subscriptions must be received at the Treasury Department, Washington, D. C., not later than 3 o'clock P.M., Thursday, July 14, 1898. No subscriptions received after that date and hour will be considered.

L. J. GAGE, *Secretary.*

The Missouri Trust Decision.—A recent decision of the Missouri Supreme Court in regard to the trust companies is published elsewhere in this number of the MAGAZINE. The effect of the decision, as viewed by the trust companies, is thus summarized by a correspondent at St. Louis:

"In this State the Supreme Court is the highest court, and the cases cannot be carried to the Federal court. The decision settles the law in this State. The entire effect of the decision is to confirm the trust companies in their right to buy and sell exchange, and to require them to allow interest on all general deposits, subject to depositors' check or sight draft. Heretofore, it has been the custom of the companies to allow interest on daily balances in excess of $200. Under the decision, we will have to allow interest on the entire daily balance.

This decision is of great importance to trust companies all over the United States. The clause of the statute, as construed, is practically copied from the charter of the Central Trust Company of New York, which has been the basis of the trust company legislation in many of the States. I believe this is the first time that the said statute has been judicially construed. The point is not now of especial value to the trust companies in New York, because, by comparatively recent legislation, New York has specifically recognized the right of trust companies to receive deposits in a general way. So has the State of Pennsylvania. But prior to said last special statutes, the general statutes of New York and most of the charters of the Pennsylvania companies were, in regard to the matter in question, practically the same as the Central Trust Company charter and the Missouri general statutes.

The decision is of very great value to the trust companies in this State, as their rights are now well defined and understood by the masses of the people in this city and State. The decision will result in greatly increasing the deposits in the trust companies, and clearly marks the following distinction as to deposit business between the banks and trust companies: The banks may, but are not required by law to, allow interest on deposits; while on the other hand the trust companies are required to allow interest on all general deposits held subject to the depositors' check or sight draft.

The decision will result also in the banks recognizing the trust companies as legitimate competitors as to the character of deposits received by the trust companies."

Another St. Louis correspondent, who probably views the matter from the banker's standpoint, says:

"I don't think the decision of the Supreme Court of this State amounts to a very great deal. To be sure, it expressly proclaims that trust companies have not the right to do a banking business—that is, buy and sell exchange and carry current accounts. But then it qualifies this latter feature by granting them the privilege to carry almost any kind of accounts, so long as they *pay interest* on them.

It plainly states that they have been exceeding the authority granted in their charters, but does nothing more in this line than to enter an ouster thereof for the future.

As to the effect of this decision, I don't see that it will be very perceptible one way or the other, and I hear of no disposition in any quarter to carry the matter to a higher court. Locally, I don't see that it has made, or will make, any difference in the business of the trust companies of this city, except that of course they will have to meet the interest-paying requirement, which can of course be easily done."

TAXES IMPOSED UNDER REVENUE ACT APPROVED JUNE 13, 1898.

Following is an official schedule of the taxes imposed by the new revenue Act, as furnished to the BANKERS' MAGAZINE by the Bureau of Statistics, Treasury Department.

TAX ON FERMENTED LIQUORS. [To take effect from date of Act.]	***Rates.***
Beer, lager beer, ale, porter, and other similar fermented liquor, per barrel of 31 gallons	**$2.**
(7½ per cent. discount on all sales of stamps.)	
ANNUAL SPECIAL TAXES. [To take effect July 1, 1898.]	
Bankers using a capital (including surplus) not exceeding $25,000	**$50.**
For every additional $1,000 in excess of $25,000	**$2.**
Brokers (except those paying tax as bankers)	**$50.**
Pawnbrokers	**$20.**
Commercial brokers	**$20.**
Custom-house brokers	**$10.**
Proprieters of theatres, museums, and concert halls in cities of more than $25,000 population, as shown by last preceding U. S. census	**$100.**
Proprietors of circuses	**$100.**
Proprietors of other public exhibitions or shows for money	**$10.**
Proprietors of bowling alleys or billiard rooms, for each alley or table	**$5.**
Tobacco. Cigars, Cigarettes, and Snuff.	
Tobacco and snuff, manufactured	**12 cents per pound.**
Cigars and cigarettes:	
Cigars weighing more than 3 pounds per 1,000	**$3.60 per M.**
Cigars weighing not more than 3 pounds per 1,000	**$1 per M.**
Cigarettes weighing more than 3 pounds per 1,000	**$3.60 per M.**
Cigarettes weighing not more than 3 pounds per 1,000	**$1.50 per M.**
Dealers in leaf tobacco and manufacturers of tobacco:	
When annual sales do not exceed 50,000 pounds	**$6.**
When annual sales exceed 50,000 and do not exceed 100,000 pounds.	**$12.**
When annual sales exceed 100,000 pounds	**$24.**
Dealers in tobacco whose annual sales exceed 50,000 pounds	**$12.**
Manufacturers of cigars:	
When annual sales do not exceed 100,000 cigars	**$6.**
When anual sales exceed 100,000 and do not exceed 200,000	**$12.**
When annual sales exceed 200,000	**$24.**
STAMP TAXES. [To take effect July 1, 1898.]	
Bonds, debentures, or certificates of stock and indebtedness issued after July 1, 1898, on each $100 of face value	**5 cents.**
Certificates of stock, original issues of, on organization or reorganization, on each $100 of face value or fraction thereof	**5 cents.**
Sale, or agreement to sell stock in any association, company, or corporation, on each $100 of face value or fraction thereof	**2 cents.**
Sale, or agreement to sell any products of merchandise at any exchange board of trade, or similar place:	
For each $100 in value	**1 cent.**
For each additional $100 or fraction **thereof**	**1 cent.**
Bank check, draft, or certificate of **deposit not drawing interest, or** money order at sight	**2 cents.**
Bill of exchange (inland), draft certifi**cate of deposit drawing interest,** or money order other than at sight **or on demand, or promissory** note (except bank notes) and origi**nal domestic money orders is**sued by the United States after July **1, 1898:**	
For a sum not exceeding $100	**2 cents.**
For each additional $100 or fraction **thereof**	**2 cents.**

Stamp Taxes—Continued.	*Rates.*
Bill of exchange (foreign) or letter of credit (including orders by telegraph, or otherwise, for the payment of money issued by express or other companies, or any person), drawn in, but payable out of the United States:	
If drawn singly or otherwise than in a set of three or more—	
Not exceeding $100	4 cents.
For each additional $100 or part thereof	4 cents.
If drawn in sets of two or more—	
For every bill of each set not exceeding $100	2 cents.
For each additional $100 or part thereof	2 cents.
Bill of lading or receipt (other than charter party) for merchandise for export	10 cents.
Bill of lading, manifest, or receipt, and each duplicate thereof, express and freight	1 cent.
Telephone messages costing 15 cents or over	1 cent each.
Bonds of indemnity	50 cents.
Certificates of profit and transfers thereof, on each $100 or part of	2 cents.
Certificates issued by port warden or surveyor	25 cents.
Certificates, all other, required by law, not elsewhere specified	10 cents.
Charter contracts or agreements, or renewals or transfers of:	
For vessels not exceeding 300 tons	$3.
For vessels exceeding 300 and not exceeding 600 tons	$5.
For vessels exceeding 600 tons	$10.
Brokers' note or memorandum of sale	10 cents.
Conveyance deed or instrument or writing transferring realty:	
When value exceeds $100 and does not exceed $500	50 cents.
For each additional $500 or fraction thereof	50 cents.
Telegraphic despatch	1 cent.
Custom-house entry of merchandise:	
Not exceeding $100 in value	25 cents.
Exceeding $100 and not exceeding $500	50 cents.
Exceeding $500	$1.
Entry for withdrawal of merchandise from customs bonded warehouse	50 cents.
Life insurance policies (except any fraternal beneficiary society or order, or farmers' purely local co-operative company or association or employees' relief associations operated on the lodge system or local co-operation plan, organized and conducted solely by the members thereof for the exclusive benefit of its members and not for profit):	
For each $100 or fractional part of	8 cents.
On policies issued on weekly payment plan	40 p. c. on am't of first weekly premium.
Insurance policies (marine, inland, fire), except purely co-operative or mutual, on each dollar of the amount of premium	½ of 1 cent.
Insurance policies (casualty, fidelity, and guarantee), on each dollar of amount of premium	½ of 1 cent.
Lease, agrreement, or contract for rent:	
Not exceeding one year	25 cents.
Exceeding one year and not exceeding three years	50 cents.
Exceeding three years	$1.
Manifest for entry or clearance of vessel for foreign port:	
When registered tonnage does not exceed 300 tons	$1.
When reg'd tonnage exceeds 300 tons and does not exceed 600 tons	$3.
When registered tonnage exceeds 600 tons	$5.
Mortgage or pledge of lands, estate, or property, real, or personal, or assignment, transfer, or renewal of:	
Exceeding $1,000 and not exceeding $1,500	25 cents.
On each $500, or fractional part of, in excess of $1,500	25 cents.
Passage tickets from the United States to foreign ports:	
Costing not over $30	$1.
Costing more than $30 and not over $60	$3.
Costing more than $60	$5.

STAMP TAXES—Continued.	Rates.
Power of attorney, or proxy for voting at any election of officers of any incorporated company or association, except religious, charitable, or literary, or public cemeteries	10 cents.
Power of attorney, other	25 cents.
Protests of notes, etc	25 cents.
Warehouse receipt	25 cents.
Medicinal proprietary articles and preparations (on every packet, box, bottle, pot, phial, or other inclosure):	
On retail value not exceeding 5 cents	1/8 of 1 cent.
Exceeding 5 cents and not exceeding 10 cents	1/4 of 1 cent.
Exceeding 10 cents and not exceeding 15 cents	3/8 of 1 cent.
Exceeding 15 cents and not exceeding 25 cents	5/8 of 1 cent.
Each additional 25 cents of retail price or fractional part thereof	5/8 of 1 cent.
Perfumery, cosmetics, and other similar articles (on every packet, box, bottle, etc.):	
On retail value not exceeding 5 cents	1/8 of 1 cent.
Exceeding 5 cents and not exceeding 10 cents	1/4 of 1 cent.
Exceeding 10 cents and not exceeding 15 cents	3/8 of 1 cent.
Exceeding 15 cents and not exceeding 25 cents	5/8 of 1 cent.
Each additional 25 cents or part of	5/8 of 1 cent.
Sparkling or other wines, bottled:	
Each bottle containing 1 pint or less	1 cent.
Each bottle containg more than 1 pint	2 cents.
Chewing gum, or substitutes:	
On each jar, box, or other package, of not more than $1 retail value	4 cents.
On each additional $1 or part thereof	4 cents.
On every ticket sold for a seat in a palace or parlor car, or berth in a sleeping car	1 cent.

EXCISE TAXES.

Corporation, company, person, or firm refining petroleum or sugar, or owning or controlling any pipe line for transporting oil or other products where gross annual receipts exceed $250,000—on gross amount of receipts in excess of $250,000	1/4 of 1 per cent.

LEGACIES AND DISTRIBUTIVE SHARES OF PERSONAL PROPERTY.

[To take effect on date of Act.]

1. Where the person or persons entitled to beneficial interest shall be the lineal issue or lineal adcestor, brother, or sister of deceased:	
When the whole am't exceeds $10,000 and does not exceed $25,000	75 cents on each $100.
When the whole am't exceeds $25,000 and does not exceed $100,000	$1.125 on each $100.
When the whole am't exceeds $100,000 and does not exceed $500,000	$1.50 on each $100.
When the whole am't exceeds $500,000 and does not exceed $1,000,000	$1.875 on each $100.
When the whole amount exceeds $1,000,000	$2.25 on each $100.
2. When the person or persons entitled to beneficial interest shall be the descendant of a brother or sister:	
When the whole am't exceeds $10,000 and does not exceed $25,000	$1.50 on each $100.
When the whole am't exceeds $25,000 and does not exceed $100,000	$2.25 on each $100.
When the whole am't exceeds $100,000 and does not exceed $500,000	$3 on each $100.
When the whole am't exceeds $500,000 and does not exceed $1,000,000	$3.75 on each $100.
When the whole amount exceeds $1,000,000	$4.50 on each $100.
3. Where the person or persons entitled to any beneficial interest shall be the brother or sister of the father or mother or a descendant of a brother or sister of the father or mother:	
When the whole am't exceeds $10,000 and does not exceed $25,000	$3 on each $100.
When the whole am't exceeds $25,000 and does not exceed $100,000	$4.50 on each $100.
When the whole am't exceeds $100,000 and does not exceed $500,000	$6 on each $100.
When the whole am't exceeds $500,000 and does not exceed $1,000,000	$7.50 on each $100.
When the whole amount exceeds $1,000,000	$9 on each $100.
4. Where the person or persons entitled to beneficial interest shall be the brother or sister of the grandfather or grandmother or a descendant of the brother or sister of the grandfather or grandmother:	
When the whole am't exceeds $10,000 and does not exceed $25,000	$4 on each $100.

LEGACIES AND DISTRIBUTIVE SHARES OF PERSONAL PROPERTY —Continued.	*Rates.*
When the whole am't exceeds $25,000 and does not exceed $100,000..	$6 on each $100.
When the whole am't exceeds $100,000 and does not exceed $500,000	$8 on each $100.
When the whole am't exceeds $500,000 and does not exceed $1,000,000	$10 on each $100.
When the whole amount exceeds $1,000,000..........................	$12 on each $100.
5. Where the person or persons entitled to beneficial interest shall be a person of any other degree of collateral consanguinity, or a stranger in blood, or a body politic or corporation:	
When the whole am't exceeds $10,000 and does not exceed $25,000..	$5 on each $100.
When the whole am't exceeds $25,000 and does not exceed $100,000..	$7.50 on each $100.
When the whole am't exceeds $100,000 and does not exceed $500,000.	$10 on each $100.
When the whole am't exceeds $500,000 and does not exceed $1,000,000.	$12.50 on each $100.
When the whole amount exceeds $1,000,000..........................	$15 on each $100.

MIXED FLOUR. [To take effect 60 days after passage of Act.]

Person, firm, or corporation making, packing, or repacking...........	$12 per annum.
On each barrel containing more than 96 pounds, and not more than 196 pounds..........	4 cents per barrel.
On each ½ barrel or package containing more than 49 pounds and not more than 96 pounds..........	2 cents per barrel.
On each ¼ barrel or package containing more than 24½ pounds and not more than 49 pounds..........	1 cent per barrel.
On each ⅛ barrel or package containing 24½ pounds or less............	½ cent per barrel.

CUSTOMS DUTIES. [To take effect from date of Act.]

Tea imported from foreign countries....................................	10 cents per pound.

A Woman Bank President.—The world has had its bronze age, its iron age, and its golden age, but that the present is emphatically its woman age is illustrated by the influence and prominence of women in every department of effort and activity. Whether they are entitled to political rights or not, they are demonstrating that they have capacity for almost every kind of work and can give a good account of themselves in the business affairs of life as well as in the narrower domestic circle.

A striking evidence of the manner in which women are entering fields until recently considered man's exclusive territory is the election of Mrs. Evelyn S. Tome as President of the Cecil National Bank of Port Deposit, Md., as successor to her husband, the late Jacob Tome.

This is not the first instance in which a woman has been chosen a bank President, but such selections have seldom been made in the older and more thickly-settled communities. There is no reason, however, why they should not be made when the woman has demonstrated her financial capacity for such a position. Women have long since proved their ability as cashiers of the domestic institution called home, and in France their talents for business and financiering are universally conceded.

Mrs. Tome had the benefit of association with one of the best financiers in the State, and doubtless learned much from Mr. Tome about business matters generally. Mr. Tome's estate owns the controlling interest in the bank, and this was probably one of the reasons for the election of his widow as its President. She held another presidential office before this election, however, being president of the board of trustees of the Jacob Tome Institute, at Port Deposit, one of the best and most richly endowed institutions in the country.—*Baltimore Sun.*

Valuable for Reference—The BANKERS' MAGAZINE AND RHODES' JOURNAL OF BANKING continues to occupy a foremost place on the shelf in the library of every business man. It furnishes interesting and instructive reading and is of priceless value as a book of reference.—*Philadelphia Price Current.*

The Bankers' Directory.—The National City Bank of Lynn, Mass., writes: "Please send your BANKERS' DIRECTORY when ready. We have 'slid off' in the past to a publication we do not like so well."

Cannot Afford To Be Without It.—The Merchants' Exchange Bank, Sparta, Ill., writes: "Enclosed please find our draft on N. Y. for $5 in payment for our subscription to the MAGAZINE for 1898. No country bank can afford to be without it."

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.

—Clearing-house exchanges on July 1 were $179,500,000. It is estimated that the amount of dividends and interest paid out here at the close of the present half-year was about $100,000,000.

—The receipts of the New York Post Office for the year just ended were $8,424,045, as against $7,867,738 for last year, an increase of $586,306, or seven per cent., the largest increase ever made for a single year. The receipts for June were $710,404. The receipts for June of last year were $637,915, showing an increase of $72,489, or eleven per cent., the largest increase for any single month in the history of the office.

—A recent sale of stock of the National City Bank was at $1,100 a share, against $650 at the last previous sale.

—E. Norman Nichols, who was suspended from the Stock Exchange for six months, on February 23, because of irregularity in a stock transaction, has been reinstated before the expiration of the time, in view of his enlistment in the United States Army.

—The subject of the stamp tax was considered at a meeting of the Executive Committee of the Savings Banks Association of the State of New York, and a resolution was adopted on June 23, to the effect that any form of draft or check to be signed by a depositor is subject to a two-cent stamp; that all forms of receipts for moneys so withdrawn are not liable to a tax. The Commissioner of Internal Revenue has interpreted the law as follows: "A stamp is not required in the case of payment made by a Savings bank to the depositor simply on his pass-book, where nothing in the form of a check or order for the payment of money is drawn."

—Because of the difficulty, in the prevailing easy condition of the money market, of making call loans at profitable rates of interest, some of the trust companies have reduced the rate of interest allowed by them on deposits from two per cent. to one and a half per cent.

—The following joint letter was recently sent to the Secretary of the Treasury by the National City Bank, the Central Trust Co., and Vermilye & Co.: "Referring to your circular letter in which you ask for subscription to $200,000,000 United States three per cent. coin bonds redeemable after ten years and payable after twenty years, we desire to advise you that we stand prepared to subscribe and pay for at par and accrued interest any portion of the bonds offered that may not be subscribed for by the public."

—Messrs. J. P. Morgan & Co. sent to the Secretary of the Treasury, on the day subscriptions to the new loan were invited, a letter offering to bid for the entire amount of the $200,000,000 loan. In their letter they said:

Whereas, A bill to provide ways and means to meet war expenditures has been passed by Congress; and

"Whereas, It is the opinion of the undersigned that, although the amount offered will be largely over-subscribed, it is essential that the Secretary should be assured of the absolute, unqualified success of the issue by an advance subscription of the entire amount; and

Whereas, In the opinion of the undersigned, for the purpose of carrying out these ends. a syndicate should be formed, who shall agree in advance to subscribe at par for the whole amount of such issue, two hundred million ($200,000,000), or such part thereof as may not be subscribed for by the general public.

Now, therefore, we, the undersigned, agree to accept firm participation in any such syndicate to the extent of the amounts set against our names.

As you will notice by this preamble, the subscribers express the opinion that the loan will be subscribed for independently of this action on their part, and besides they have no wish to interfere in any way with the popular character of the loan, as desired by Congress and the Administration: their only desire is that, without any delay whatever, the Government should be assured of the full amount asked for.

Subscribers to the syndicate are as follows: J. P. Morgan & Co., of New York, $20,000,000; Harvey Fisk & Sons, of New York, $20,000,000; First National Bank of New York, $20,000,000;

Mutual Life Insurance Co. of New York, $20,000,000; United States Trust Co. of New York, $10,000,000; Kidder, Peabody & Co. of Boston, $20,000,000; Drexel & Co. of Philadelphia, $10,000,000; August Belmont & Co. of New York, $10,000,000; Kuhn, Loeb & Co. of New York, $10,000,000; National Park Bank of New York, $10,000,000; National Bank of Commerce of New York, $10,000,000; American Exchange National Bank of New York, $10,000,000; First National Bank of Cincinnati, $10,000,000; Philadelphia National Bank of Philadelphia, $10,000,000; Pennsylvania Company for Insurance on Lives and Granting Annuities, $10,000,000.

On behalf of such syndicate we therefore subscribe at par for the whole amount of such issue, say $200,000,000, or such part thereof as may not be subscribed by the general public.

We will furnish you in due course with the signatures of the various subscribers for the amounts named respectively.

Yours, very truly,

J. P. MORGAN & CO."

—Joseph Walker has been elected a director of the Continental Trust Co.

—The Associated Surety Corporations Agency has been formed to transact a general surety business.

—On June 13 H. Duncan Wood was reinstated as a member of the Stock Exchange, having settled his accounts.

—E. S. Marston succeeds R. G. Rolston as President of the Farmers' Loan and Trust Co., Mr. Rolston resigning on account of ill health. He will still be connected with the company as chairman of the board of trustees. Daniel S. Lamont was recently elected a director to fill a vacancy.

—The Colonial Trust Co., which began business about six months ago with $1,000,000 capital and $500,000 surplus, reports $73,858 undivided profits and $5,611,155 deposits.

—Subscriptions are being received for the stock of the Commercial Trust Co., which will have $500,000 capital and $250,000 paid-in surplus. It is expected that the company will occupy rooms in the Postal Telegraph Building.

—Geo. P. Butler & Bro. is the name of a new firm of investment brokers composed of George and Arthur Butler, the latter a member of the Stock Exchange.

—Max Ruckgaber, of Messrs. Schulz & Ruckgaber, has been elected a member of the Stock Exchange.

—Frederick D. Tappen reached his thirtieth anniversary as President of the Gallatin National Bank on July 1, and was congratulated on the event by his many friends in the financial district. In addition to being at the head of one of the very strong and conservative banks of the city, Mr. Tappen has rendeıed conspicuous service to the banks by his long official connection with the New York Clearing-House Association. Mr. Tappen has been connected with the Gallatin National Bank for forty-eight years, having entered its service as a junior clerk in 1850. He succeeded James Gallatin, son of Albert Gallatin, as President on July 1, 1868, being promoted from Cashier, which place he had filled for the preceding eleven years.

NEW ENGLAND STATES.

Danielson, Conn.—The Windham County National Bank has opened business in its new quarters in the place vacated by the Killingly National Bank. Great improvements have been made and it is now one of the handsomest and most convenient banking establishments in the State.

Maine Banking Institutions.—There are fifty-one Savings banks in Maine, with $60,898,760 deposits. The sixteen trust and banking companies of the State have total resources of $7,959,490.

Bankers' Maturity Guide.—Messrs. Sperry & Morgan, Hartford, Conn., have recently issued the third edition of their "Bankers' Maturity Guide and Holiday Calendar." It contains in a very compact form a summary of the laws and customs prevailing throughout the United States and Canada governing days of grace, Saturday half-holidays, and maturities of negotiable paper, with legal and contract rates of interest. Also a list of legal holidays for each State, Territory and Province. It will be found most valuable to bankers.

Boston.—The Fidelity and Deposit Co., of Baltimore, has established an agency in this city in charge of Messrs. O'Brion & Russell.

—A reward of $5,000 has been offered for the arrest of Frederick T. Moore, who embezzled $53,850 from the National Bank of Commerce. In regard to offer of the reward, President Hallowell says: "The reward of $5,000 is offered solely in the interest of good banking and for the good of the community. Such an accomplished thief never ought to be allowed to go free."

—On June 21 the bill limiting the association of Savings and discount banks passed the House.

A Prosperous Savings Bank.—At the recent semi-annual meeting of the trustees of the Greenfield (Mass.) Savings Bank a highly satisfactory condition was disclosed by the report of the auditors. Deposits are $2,234,000—an increase of $160,000 during the year. The guaranty fund also shows an increase of $9,000. The market value of securities held exceeds the book value by over $83,000, which, added to the guaranty fund, makes the surplus over $175,000. The past year is reported as the most prosperous one in the bank's history.

MIDDLE STATES.

Philadelphia.—Edwin S. Dixon succeeds the late J. Waln Vaux as President of the Trust Company of North America.

—The Union Trust Co. will vote on August 1 on a proposition to reduce the capital from $1,000,000 to $500,000, the object of the reduction being to save taxes.

—The West End Trust and Safe Deposit Co. will erect a fourteen-story office building at Broad Street and South Penn Square.

—The Council of Administration of the Pennsylvania Bankers' Association recently passed a resolution strongly approving the Government loan and urging that members of the association act as agents for placing the loan without charge.

Lewes, Del.—It is reported that the Sussex Trust Co., which was chartered here some time ago, will open a bank.

Banker and Orator.—At the graduating exercises of the well-known Peekskill (N. Y.) Military Academy on June 8 the graduates were addressed by Mr. C. A. Pugsley, President of the Westchester County National Bank, Peekskill. Mr. Pugsley spoke on "Patriotism and Character Building," and his address was forceful and brilliant and replete with sound advice to the graduates.

SOUTHERN STATES.

Jacksonville, Fla.—Rev. Albion W. Knight, Rector of St. Philip's Church, Atlanta, Ga., succeeds J. N. C. Stockton as President of the National Bank of the State of Florida, the latter having resigned to look after other business enterprises. E. T. Shubrick, formerly a bank examiner, has been elected Vice-President.

Atlanta, Ga.—The directors of the Lowry Banking Company recently declared their twentieth semi-annual dividend of four per cent. out of the net earnings for the past six months, payable July 10.

Change in Title.—It is reported that the title of the Natchez (Miss.) Savings Bank has been changed to the Merchants and Planters' Bank.

Capital Stock Reduced.—The Exchange Bank, of Trenton, Tenn., has decreased its capital stock from $50,000 to $25,000.

Richmond, Va.—John K. Branch, a well-known business man, succeeds the late Frederick R. Scott as Vice-President of the Merchants' National Bank.

North Carolina Banks.—The State, Savings and private banks of North Carolina, at the date of their last official report, had an aggregate capital of $2,570,765, and deposits amounting to $6,410,428. State banks have total resources of $7,153,969, and private banks, $1,476,198. There are six Savings banks with total resources of $1,816,278.

Changes in Southern Banks.—Wm. S. Witham, of Atlanta, has sold his interest in the Douglasville (Ga.) Bank and the Bank of Greenville, Ala., and is no longer President of the Bank of Monticello, Ga. He is interested in the organization of a number of new banks, among them being the People's Bank, of Cordele, Ga.

—W. E. Connell, formerly Cashier of the First National Bank, Midland, Tex., succeeds R. B. Harrold as Cashier of the First National Bank, Fort Worth, Tex.

WESTERN STATES.

Kansas City, Mo.—On June 23 an agreement was made by which the Citizens' National Bank, the oldest National bank in the city, merged into the Union National Bank. The Citizens' National had $200,000 capital, and deposits exceeding $1,000,000. It had done a successful and profitable business, paying 123 per cent. in dividends since its establishment in 1882. W. H. Seeger, who has been Cashier of the Citizens' National, now becomes Second Vice-President of the Union National. The latter bank has been very prosperous, and its financial strength will be still further increased by the consolidation.

—Owing to the recent decision in regard to trust companies (published in full in another part of this number) the New England Safe Deposit and Trust Co. will probably be reorganized as a National bank.

Chicago.—In the case of the Lake Street Elevated Railroad Co. *vs.* the Farmers' Loan and Trust Co., of New York, the Illinois Supreme Court recently decided that the trust company could not foreclose a mortgage, as it was incompetent to act as trustee, because of its failure to deposit $200,000 with the State Auditor as required by law.

Kansas Bank Reorganized.—The Abilene (Kas.) National Bank has been reorganized. G. C. Sterle succeeds J. S. Hollinger as President.

Denver, Colo.—It is reported that D. H. Moffat, President of the First National Bank, is interested in a new bank to be established at the Stock Yards here.

Cleveland, Ohio.—Officers and directors have been elected for the new Colonial National Bank, which is expected to open for business not later than September 1.

Detroit, Mich.—Frank F. Tillotson, formerly Assistant Cashier of the Citizens' Savings Bank, has been promoted to the Cashiership of that bank, succeeding Edwin F. Mack, who has resigned to engage in other business.

—The National Association of Credit Men met in annual convention in this city June 22. James G. Cannon, Vice-President of the Fourth National Bank, New York, presiding. Charles G. Dawes, Comptroller of the Currency, was one of the leading speakers at the first day's session.

—Preparations have been commenced for the erection of a handsome bank building for the State Savings Bank.

—Herbert L. O'Brien has resigned as Cashier of the Preston National Bank; his duties are being discharged, temporarily, by Assistant Cashier Irvine B. Unger.

Des Moines, Iowa.—Joseph W. Geneser was recently elected Cashier of the German Savings Bank, succeeding Harry Blackburn, who was elected to the place when the bank was reorganized a short time ago.

North Dakota Banker Acquitted.—J. B. Streeter, who was President of the First National Bank of Larimore, No. Dak., which closed in January last, was recently acquitted of the charge of receiving deposits knowing the bank to be insolvent.

Colorado Banks Consolidate.—The American National Bank and the Stockgrowers' National, of Pueblo, Colo., have united under the name of the Mercantile National Bank, with W. H. Thompson, President, and A. V. Bradford, Cashier.

PACIFIC SLOPE.

Condition of Wyoming Banks.—Harry B. 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, May 5.

ASSETS.	*State banks.*	*Private banks.*	*Total.*
Loans and discounts	$213,330	$657,241	$870,571
Warrants, stocks and bonds	11,272	19,810	31,082
Overdrafts	6,516	35,443	41,959
Banking house	6,818	20,118	26,936
Furniture and fixtures	4,819	9,987	14,806
Other real estate and property	1,783	300	2,083
Expenses and taxes paid	1,920	10,215	12,135
Due from banks and bankers	110,229	205,488	315,717
Checks and cash items	918	3,685	4,603
Specie, legal tenders, bank notes, etc.	23,606	64,162	87,768
Total	$381,210	$1,026,447	$1,407,657
LIABILITIES.			
Capital stock	$72,000	$173,516	245,516
Surplus	29,000	3,500	32,500
Undivided profits	19,251	7,495	26,746
Deposits subject to check	177,699	2,438,422	2,616,121
Demand certificates of deposit	17,326	14,399	31,725
Time certificates of deposit	65,933	374,865	440,798
Due banks and bankers	....	1,447	1,447
Rediscounts and bills payable	....	12,800	12,800
Total	$381,210	$1,026,447	$1,407,657
Per cent. of reserve to liabilities	50.9 p. cent.	32 p. cent.	....

In transmitting this report to the Governor, Bank Examiner Henderson said:

"The statement is most gratifying in many respects. The deposits of State Banks, as compared with those of May 14, 1897, show a net increase of $64,000, while the loan and discount account shows an increase of $28,000. The percentage of liabilities of State banks to depositors, available May 14, 1897, was 40.9 per cent., while on May 5, 1898, there was available 50.9 per cent. The earning capacity of the banks has not only increased, but the reserve fund as well. Of the deposits in State banks one-fourth are now interest-bearing, while one year since the percentage bearing interest was one-third.

In private banks there has been an increase of two in number within the year, thereby increasing the gross capital of such banks $15,000.

The aggregate deposits at close of business May 5, 1898, are $827,688, an increase within the year of $186,660. The loan and discount account has increased $115,000. The percentage of liabilities to creditors available at this time as well as May 14, 1897, is 82 per cent. of the total deposits. Of private banks about 45 per cent. of the deposits are interest-bearing; such banks therefore have not been as profitable to their owners as have the State banks, and I am of the opinion that the banker is making a serious mistake in encouraging his patrons to place their funds in the form of interest-bearing certificates. The offering of a high rate of interest induces persons to deposit their money and permits the bank to direct the channels into which it flows; while if no interest was offered the individual would probably invest the funds in some legitimate enterprise that would have a tendency to build up the resources and property of the community. The funds thereby finding through business channels their course to the bank.

State banks have discouraged the matter of time deposits and, as will appear from the statement, their percentage is small and the rate of interest paid is also lower than that offered by private bankers.

The banks of Wyoming at close of business, May 5, 1898, show a greater amount of deposits than at any previous time in the history of the State, and it is exceedingly gratifying to notice that this increase in the line of deposits as well as investments has largely been the outgrowth of national tariff legislation and the general reviving and advancement of manufacturing and business industries and the stability of our system of Government that gives to every man honest compensation for honest labor.

At the time of the current report but a small amount of money had been received in Wyoming as advances upon the 1898 wool product of the State. On the contrary, on May 14, 1897, fully 75 per cent. of the wool money had been received and largely deposited. I take it, therefore, that the statement to be made in July next will show a greater deposit than that of the statement herewith. With the volume of money being increased so rapidly has also come a lower rate of interest to borrowers. With lower rates of interest have come greater investments in the industrial and productive resources of the State and also a development of the mineral resources upon a scale not heretofore equalled. I am of the opinion that loans of $1,000 and upwards will be obtainable within the next ninety days at a rate of not to exceed nine per cent. interest per annum, a decrease of fifty per cent. in interest charges within the past twenty-one months."

Salt Lake City.—A four days' mining congress began in this city July 6, the object being to discuss various subjects relating to mining industries, and to secure legislation calculated to promote the mining interests of the country.

San Francisco.—The California Mortgage and Savings Bank, which was enjoined some time ago from changing its name to the German-American Bank, has been incorporated under the title first named, with $250,000 subscribed capital.

—Recently the managers of the Anglo-Californian Bank advanced about $2,100 to pay some of the soldiers located here who have families dependent upon them. The bank made no charge whatever for the use of the money, and the only security they took was "the soldiers' honor"—regarding this as quite sufficient.

CANADA.

Winnipeg, Man.—At the annual meeting of the Winnipeg sub-section of the Canadian Bankers' Association, on June 7, F. H. Mathewson was elected president and F. L. Patton, secretary.

New Branches Opened.—The Bank of Ottawa has opened a branch at Dauphin, Man., under the management of G. L. Irwin.

—The Union Bank of Canada has opened a branch at Hartney, Man., with E. K. Strathy, Manager.

—A branch of the Bank of Hamilton is to be opened at Brandon, Man.

Manager Promoted.—W. B. Gravely, who for the past seven years has been Manager of the Calgary branch of the Bank of Montreal, has been promoted to the management of the Halifax branch.

FAILURES, SUSPENSIONS AND LIQUIDATIONS.

California—San Francisco.—The Home Savings Bank, which went into liquidation in 1893, paid a three per cent. dividend July 6. This makes the fourth dividend and brings the amount paid so far up to twenty-one per cent.

Illinois—Chicago.—On June 13 the Comptroller of the Currency declared a seventh dividend of five per cent. to the creditors of the Chemical National Bank, making in all 100 per cent. on claims proved amounting to $1,842,569. The bank failed May 8, 1893.

Kansas.—The Bank of McDonald went out of business July 1, stating that it could not afford to pay the new franchise tax imposed by the Federal revenue law.

—On June 10 the Blue Rapids City Bank, of Blue Rapids, notified the State Bank Commissioner that it had paid off all its depositors and quit business.

—Thomas Kirby's bank, Abilene, was closed by the State Bank Commissioner, June 29. It had $218,000 on deposit and $70,000 cash on hand.

Kentucky.—Directors and stockholders of the First National Bank, Newport, which failed in January, 1897, recently paid to the Receiver $200,000, representing their entire liability.

Massachusetts.—The Receivers of the Hampshire County Savings Bank, Northampton, recently filed a schedule of the bank's property, amounting to $1,349,682. This includes $189,390 in special loans believed to be of little value.

Michigan.—On June 6 Receiver Ainger declared a ten per cent. dividend to depositors in the First National Bank, of Benton Harbor. This makes sixty per cent. in nine months. There is a possibility that the depositors will be paid in full.

Missouri.—The Farmers and Merchants' Bank, of Piedmont, is reported to be in the hands of a bank examiner.

New Hampshire.—On July 1 the Nashua Savings Bank, which was enjoined March 26, 1895, and went into liquidation May 13, 1897, began the payment of a twenty per cent. dividend to its depositors. This releases a little more than half a million dollars, and makes the total dividends paid since the bank closed amount to fifty per cent. The Security Trust Company of Nashua and Grand Forks, N. D., which failed in 1895, also paid its first dividend of fifteen per cent., amounting to about $44,000.

Ohio.—It is reported that the business of the People's Bank, of Bluffton, is being closed up.

Pennsylvania—Philadelphia.—On June 13 Receiver Thomas W. Barlow of the People's Bank, which clos d some time ago in consequence of excessive loans made by its Cashier to the Guarantors' Finance Company and to Richard W. Loper, announced a dividend of ninety per cent. to the creditors. The amount of dividend is more than $1,000,000, and of that amount James McManes, former President of the institution, contributed his check personally for $400,000. When the bank closed its doors Mr. McManes announced that he would place his private fortune at stake in order that no creditor of the institution, many of whom were his personal friends, should lose a dollar. He has made his word good. Mr. Barlow further announced that the remaining ten per cent. of the bank's indebtedness would be paid in full within ninety days.

The failure was caused by unauthorized loans made by the bank's Cashier, John S. Hopkins, to Richard F. Loper and the enterprises promoted by Loper to the amount of over $750,000 on collateral of the face value of a little more than $800,000. This collateral, the Receiver announced, realized $3,000.

Washington.—The Traders' Bank, of Tacoma, recently paid a dividend of nine per cent., making eighty-four per cent. paid to date.

—The President of the Bank of Sumner, at Puyallup, which went into the hands of a Receiver on May 31, is reported to have been arrested on the charge of receiving deposits after he knew the bank was in a failing condition.

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.

5124—Grant Park National Bank, Grant Park, Illinois. Capital $50,000.
5125—American National Bank, Lima, Ohio. Capital $100,000.
5126—First National Bank, Wynnewood, Indian Territory. Capital $50,000.
5127—First National Bank, Mineola, Texas. Capital $50,000.
5128—First National Bank, Checotah, Indian Territory. 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, Radcliffe, Iowa; by Carl P. Knox, *et al.*
First National Bank, New Bloomfield, Pa.; by William C. Pomeroy, *et al.*
First National Bank, Dresden, Ohio; by H. C. Herbig, *et al.*

NEW BANKS, BANKERS, ETC.

ARKANSAS.

ENGLAND—Bank of England; Pres., G. W. Morris; Cas., J. E. Wooten.

CALIFORNIA.

SONORA—Citizens' Bank; Thomas W. Wells, Manager.

DELAWARE.

LEWES—Sussex Trust Co.

GEORGIA.

CORDELE—People's Bank; capital, $25,000.

FAYETTEVILLE—Bank of Fayetteville; Pres., S. T. Blalock; Vice-Pres., A. O. Blalock; Cas., W. B. Hollingsworth.

ILLINOIS.

GRANT PARK—Grant Park National Bank; capital, $50,000; Pres., F. Holzman; Vice-Pres., V. H. Messenger; Cas., Ed. C. Curtis; Asst. Cas., Cass J. Hayden.

INDIAN TERRITORY.

CHECOTAH—First National Bank; capital, $50,000; Pres., J. S. Todd; Cas., R. D. Martin.

WYNNEWOOD—First National Bank (successor to Citizens' Bank); capital, $50,000; Pres., T. P. Howell; Vice-Pres., W. B. Crump; Cas., Charles Bohnke; Asst. Cas., J. A. Lawrence.

IOWA.

DONNELLSON—Citizens' Mutual Bank; Pres., W. B. Seeley; Vice-Pres., E. P. Arnknecht; Cas., Frank Ketcham.

PLAINFIELD—Plainfield Savings Bank; Pres., J. A. Cousin; Vice-Pres., J. Roach; Cas., W. W. Taylor.

KANSAS.

ALMENA—Merchants' State Bank; capital, $5,000; Pres., Andrew Dyatt; Vice-Pres., Hugh Dyatt; Cas., F. H. Mellor.

KENTUCKY.

LAGRANGE—People's Bank; capital, $15,000; Pres., J. W. Russell; Vice-Pres., B. Ballard; Cas., J. T. Wilson; Asst. Cas., B. M. Goldsborough.

MICHIGAN.

CAPAC—Capac Savings Bank; capital, $20,000; Pres., John W. Porter; Cas., R. Morrison. Jr.; Asst. Cas., R. N. Wade.

SCOTTVILLE—State Savings Bank; capital, $15,000; Pres., C. W. McPhail; Cas., H. G. Flint.

MINNESOTA.

CARLTON—Commercial Banking Co.; capital, $10,000; Pres., Chas. F. Leland; Cas., Chas. H. Martin; Asst. Cas., B. Necomb.

CLEARWATER—Bank of Clearwater (Winter & Co.).

EMMONS—Emmons Bank; Pres., J. B. Lloyd; Cas., Iver Iverson, Jr.

HAMMOND—State Bank; organizing.

HENDRUM—Bank of Hendrum; Pres., H. O. Rask; Vice-Pres., A. M. Anderson; Cas., A. M. Eckman.

STARBUCK—Bank of Starbuck; Pres., O. J. Johnson; Vice-Pres., F. M. White; Cas., S. J. Rasmussen.

ST. BONIFACIUS—Hegerle & Gothmann; Pres., Henry Gothmann: Cas., M. H. Hegerle.

MISSISSIPPI.

EUPORA—Grenada Bank (branch).

NATCHEZ—Merchants and Planters' Bank (successor to Natchez Savings Bank and Loan and Trust Co.); capital, $25,000; Pres., Maurice Moses; Cas., Abe Moses.

NEW MEXICO.

EDDY—Bank of Eddy; capital, $30,000; Pres., Charles Q. Chandler; Vice-Pres. and Cas., Herbert J. Hammond.

NEW YORK.

NEW YORK CITY—Commercial Trust Co.; capital, $500,000.

NORTH CAROLINA.

SOUTHERN PINES—C. J. Brown & Co.; Cas., Clark J. Brown.

NORTH DAKOTA.

BATHGATE—Bathgate State Bank; capital, $25,000; Pres., F. P. Holmes; Vice-Pres., B. James; Cas., Hugh J. Watt.

CLIFFORD—State Bank; capital, $7,000; Cas., George Stomner.

LA MOURE—Bank of La Moure; capital, $10,000; Pres., B. N. Stone; Cas., H. E. Sox; Asst. Cas., S. E. Brown.——State Bank; Pres., A. E. Gardner; Cas., E. A. Ham.

OHIO.

ANSONIA—Citizens' Banking Co.; capital, $12,000; Pres., T. J. Hostetter; Vice-Pres., Charles Coppess; Cas., J. T. Sproull.

BREMEN—Bremen Bank; Pres., H. M. Shelhamer; Cas., Grant Cusac.

LIMA—American National Bank (successor to Goldsmith & Kalb); capital, $100,000; Pres., Jos. Goldsmith; Vice-Pres., N. L. Michael; Cas., Gus Kalb; Asst. Cas., Harri O. Jones.

TOLEDO—Security Trust Co.; capital, $200,000. Pres., F. B. Shoemaker; Vice-Pres., N. H. Swayne; Second Vice-Pres., John J. Barker; Secretary and Treasurer, C. F. M. Niles.

OKLAHOMA.

BLACKWELL—Blackwell State Bank.

OREGON.

BURNS—Jones & Bigg.

TEXAS.

MINEOLA—First National Bank; capital, $50,000; Pres., H. M. Cate; Vice-Pres., B. B. Hart; Cas., H. H. Howell; Asst. Cas., S. R. Bruce.

CANADA.

MANITOBA.

BRANDON—Bank of Hamilton.

DAUPHIN—Bank of Ottawa (successor to G. L. Irwin).

HARTNEY—Union Bank of Canada; E. K. Strathy, Mgr.

BRITISH COLUMBIA.

VANCOUVER—Canadian Bank of Commerce; H. H. Morris, Mgr.

ONTARIO.

DELHI—Bank of Hamilton; A. B. Stennert, Agent.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

GREENVILLE—Greenville Bank; William S. Witham no longer President.

ALASKA TERRITORY.

JUNEAU—First National Bank; John G. Heid, Vice-Pres.

CALIFORNIA.

SAN FRANCISCO—California Mortgage and Savings Bank; incorporated; capital stock, $250,000.

COLORADO.

PUEBLO—Mercantile National Bank (successor to American National Bank and Stockgrowers' National Bank); capital, $100,000; W. H. Thompson, Pres.; Robert Grant, Vice-Pres.; A. V. Bradford, Cas.

CONNECTICUT.

HARTFORD—Society for Savings; Francis B. Cooley, Pres. in place of John C. Parsons.

FLORIDA.

FERNANDINA—First National Bank; J. H. Prescott, Acting Cas.

JACKSONVILLE—National Bank State of Florida; Albion W. Knight, Pres. in place of J. N. C. Stockton; E. T. Shubrick, Vice-Pres.

ST. PETERSBURG—St. Petersburg State Bank; L. N. Jenness, Pres. in place of William McLeod, deceased.

GEORGIA.

MONTICELLO—Bank of Monticello; William S. Witham no longer Pres.

SAVANNAH—Merchants' National Bank; S. Guckenheimer, Vice-Pres. in place of Wm. W. Gordon.

WARRENTON—Bank of Warrenton; J. Fred Allen, Cas. in place of J. A. Allen, deceased.

ILLINOIS.

CARROLLTON — Greene County National Bank; corporate existence extended until June 6, 1918.

DECATUR—Citizens' National Bank; John A. Dawson, Cas., resigned.

ELMWOOD—Bank of Elmwood (successor to Elmwood State Bank); Geo. S. Smith, Pres.; Charles B. Smith, Cas.

FRANKLIN GROVE—Franklin Grove Bank; Conrad Durkes, Vice-Pres., deceased.

QUINCY—First National Bank; Geo. F. Jasper, Asst. Cas. in place of Geo. Bakewell.

INDIANA.

HUNTINGTON—Citizens' Bank; E. T. Taylor, Pres. in place of Frederick Dick, deceased.

LA FAYETTE—Perrin Nat. Bank; S. Vater, Asst. Cas.

TERRE HAUTE—National State Bank; John R. Cunningham, Cas.

INDIAN TERRITORY.

VINITA—First Nat. Bank; Henry C. Cook, Cas., deceased.

IOWA.

DES MOINES—German Savings Bank; J. W. Geneser, Cas. in place of Harry Blackburn; W. G. Harvison, elected director.

SIOUX CITY—First National Bank; no Vice-Pres. in place of E. H. Stone.

KANSAS.

ABILENE—Abilene Nat. Bank; G. C. Sterl, Pres. in place of J. S. Hollinger; C. H. Patteson, Cas.; R. M. White, Asst. Cas.

HIGHLAND—John P. Johnson, banker, deceased.

MARION—State Bank of Commerce (successor to Bank of Commerce); J. S. Good, Pres.; Eli Good, Cas.; Josiah Good, Asst. Cas.

NORTON—First National Bank; C. M. Sawyer, Pres. in place of E. E. Ames.

STERLING—First Nat. Bank; T. J. English, Asst. Cas.

TOPEKA—Citizens' State Bank (successor to Citizens' Bank); capital, $25,000; Peter Smith, Pres.; R. Nicnols, Vice-Pres.; E. S. Gresser, Cas.

KENTUCKY.

ELKTON—Bank of Elkton; capital reduced from $100,000 to $25,000.

LOUISVILLE—Citizens' National Bank; S. B. Lynd, Asst. Cas.——Fidelity Trust & Safety Vault Co.: John Stites, Pres. in place of John D. Taggart, deceased; John W. Barr, Jr., and J. T. Malone, Vice-Pres.; J. C. Nathan, Sec.

LOUISIANA.

LAFAYETTE—Bank of Lafayette; capital, $24,000; Crow Girard, Pres.; William Clegg, Vice-Pres.; J. J. Davidson, Cas.

THIBODAUX—Bank of Lafourche; P. J. Legendre, Asst. Cas. in place of Jos. Claudet, resigned.

MARYLAND.

BALTIMORE—Guardian Trust & Deposit Co.; John H. Blake, Pres. in place of Edward Stabler, Jr., resigned.——Townsend Scott & Son; Rossiter S. Scott, deceased.

MASSACHUSETTS.

BOSTON—United States Trust Co.; J. A. Lane, Vice-Pres. and director, deceased.

CAMBRIDGE—Cambridgeport Savings Bank; Daniel U. Chamberlin, Pres., deceased.

CAMBRIDGEPORT—First National Bank of Cambridge; W. A. Bullard, Pres. in place of D. U. Chamberlin, deceased; W. F. Earle, Cas. in place of W. A. Bullard.

MALDEN—First National Bank; Edward P. Kimball, Cas. in place of Arthur T. Tufts, resigned.

NATICK—Natick National Bank; Leonard Winch, Vice-Pres., deceased.

NORTH ADAMS—Adams National Bank; E. S. Wilkinson, Pres. in place of S. W. Brayton, deceased; W. H. Pritchard, Cas. in place of E. S. Wilkinson.

MICHIGAN.

DETROIT—Preston National Bank; Herbert L. O'Brien, Cas., resigned.——Citizens' Savings Bank; Frank F. Tillotson, Cas. in place of Edwin F. Mack, deceased.

JACKSON—People's National Bank; W. R. Reynolds, Pres. in place of John M. Root, deceased; no Vice-Pres. in place of W. R. Reynolds.

ST. CLAIR—Commercial and Savings Bank; Chas. S. Nims, Pres. in place of Robert H. Jenks, deceased.

MINNESOTA.

HERMAN—Grant County Bank; E. W. Snyder, Cas.

MOORHEAD—First National Bank; John Lamb, Pres. in place of F. J. Burnham, deceased.

STILLWATER—Lumbermen's National Bank; Isaac Staples, Pres., deceased.

MISSOURI.

KANSAS CITY—Union National Bank and Citizens' National Bank; consolidated under former title.

QUITMAN—J. S. & J. E. Bilby & Co.; succeeded by Farmers' Bank.

ST. JOSEPH—First National Bank; Abraham Nave, director, deceased.

ST. LOUIS—Franklin Bank; Adolph Moll, director, deceased.

STURGEON—Farmers and Merchants' Bank; capital stock increased from $10,000 to $15,000.

NEBRASKA.

HAVELOCK—Farmers' Bank; capital, $7,500; W. H. Horne, Pres.; H. K. Frantz, Cas.

NEW HAMPSHIRE.

PORTSMOUTH—National Mechanics and Traders' Bank; Washington Freeman, Pres. in place of John Sise, deceased.

NEW JERSEY.

DECKERTOWN—Farmers' National Bank; Theo. F. Margarum, Pres. in place of John A. Whitaker, deceased; Charles A. Wilson, Vice-Pres.; G. S. Holbert, Cas. in place of Theo. F. Margarum.

NEW YORK.

COHOES—National Bank of Cohoes; Benjamin F. Clarke, Vice-Pres. and director, deceased; also Vice-Pres. and Trustee Cohoes Savings Institution.

MEDINA—Medina National Bank; John W. Card, Vice-Pres.; no Second Vice-Pres.; Robert W. Clark, Cas. in place of Burt D. Timmerman.

NEW YORK—Continental National Bank; Benjamin Perkins, Pres. in place of Edmund D. Randolph; A. D. Seymour, Second Vice-Pres.; no Asst. Cas. in place of A. D. Seymour.——New York Life and Trust Co.: Stephen Van R. Cruger, director, deceased.——Floyd-Jones & Robison; Charles Badgley and Frederick W. Ritter, admitted to partnership.——Kessler & Co.; G. E. Kissel, retired from firm.—Continental Trust Co.; Joseph Walker, Jr., elected director.——Holmes & Co.; removed to 71 Broadway.——Farmers' Loan and Trust Co.; E. S. Marston, Pres. in place of R. G. Rolston.

NORTH CAROLINA.

LUMBERTON—Bank of Lumberton; capital increased from $15,000 to $20,000.

OHIO.

WELLINGTON—First National Bank; W. Cushion, Jr., Vice-Pres.; Charles T. Jamieson, Cas. in place of W. Cushion, Jr.

PENNSYLVANIA.

PHILADELPHIA—Trust Co. of North America; Edwin S. Dixon, Pres. in place of J. Waln Vaux, deceased.

PITTSBURG—Arsenal Bank; Alexander McKinley, director, deceased.

YORK—Drovers and Mechanics' National Bank; Israel F. Gross, Pres., deceased.

RHODE ISLAND.

BRISTOL—First National Bank; C. H. Manchester, Cas. in place of Hezekiah W. Church, deceased; C. T. Sherman, Asst. Cas. in place of C. H. Manchester.

PROVIDENCE—Roger Williams Nat. Bank; James W. Taft, Pres. in place of G. P. Pomeroy.——First National Bank; Benjamin B. Knight, director, deceased.

SOUTH DAKOTA.

DEADWOOD—First National Bank; corporate existence extended until June 27, 1918.

SIOUX FALLS—Minnehaha National Bank; B. F. Campbell, Pres. in place of Porter P. Peck.

SPRINGFIELD—Bank of Springfield; S. M. Brann, Cas. in place of Charles Hill.

TENNESSEE.

ATHENS—First National Bank; J. W. F. Foster, Vice-Pres. in place of L. W. Rose.

JACKSON—Second Nat. Bank; M. S. Neely, Second Vice-Pres.; Thomas Polk, Cas. in place of W. S. Moore.

MORRISTOWN—First National Bank; C. V. Taylor, Pres. in place of Geo. W. Folsom; John K. Shields, Vice-Pres. in place of D. W. C. Senter.

SOMERVILLE—Fayette County Bank; E. A. Maddox, Cas. in place of A. J. Rooks, deceased.

TRENTON—Exchange Bank; capital decreased from $50,000 to $25,000.

TEXAS.

ATHENS—First National Bank; J. W. Murchison, Asst. Cas.

COMANCHE—First Nat. Bank; J. M. Presler, Vice-Pres. in place of N. R. Lindsey; F. J. Dunkerley, Asst. Cas.

FORT WORTH—First National Bank; W. E. Connell, Cas. in place of E. B. Harrold, resigned.

HOUSTON—South Texas National Bank; M. T. Jones, Pres., deceased.

LAREDO—Laredo National Bank; J. K. Beretta, Vice-Pres. in place of T. C. Frost; T. C. Frost, Second Vice-Pres.; C. Buttron, Cas. in place of J. K. Beretta; no Asst. Cas. in place of C. Buttron.

VIRGINIA.

BRISTOL—Dominion National Bank; H. E. Jones, Pres. in place of H. E. McCoy, deceased; no Cas. in place of H. E. Jones.

RICHMOND—Merchants' National Bank; John Kerr Branch, Vice-Pres. in place of Frederick R. Scott, deceased.

WISCONSIN.

BURLINGTON—Bank of Burlington; J. C. Heddle, Cas., resigned.

CANADA.

NOVA SCOTIA.

HALIFAX—Bank of Montreal; W. B. Gravely. Manager.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

COLORADO.

TRINIDAD—Trinidad Savings Bank.

ILLINOIS.

GRANT PARK—Grant Park Bank.

KANSAS.

BLUE RAPIDS—Blue Rapids City Bank.

NEW YORK.

NEW YORK CITY—Standard National Bank; in voluntary liquidation, April 26.

OHIO.

BLUFFTON—People's Bank.

PENNSYLVANIA.

PITTSBURG—Bond American Bank.

WASHINGTON.

PUYALLUP—Bank of Sumner; in hands of Robert Montgomery, Receiver.

WISCONSIN.

ASHLAND—First National Bank; in voluntary liquidation, June 8.

CANADA.

ONTARIO.

PETERBORO—Mulholland & Roper.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, July 2, 1898.

THE ENACTMENT OF A REVENUE MEASURE by Congress, followed by enormous subscriptions to the new Government loan, was the principal event of the month, apart from the notable deeds of our fighting armies. In the prosecution of the war progress towards the end has been made. Since June 10, when the first body of American marines was landed in Cuba, additional troops have been debarked and at the present time severe fighting is going on, while the city of Santiago is invested by an army. The news of the capture of the city is momentarily expected although many lives will be the cost of our victory.

Provision has at last been made for the financial cost of the war, and the bill finally agreed upon by the conference committee of the two Houses was passed in the House on June 9 and in the Senate on the following day. It received the signature of the President on June 13. The measure provides for various forms of taxation, that which probably most vividly revives war recollections of more than thirty years ago being the stamp tax of two cents on bank checks. This tax, with other provisions, went into effect on July 1, although the Government was far from ready on its part, the supply of stamps being inadequate and not effectively distributed. Postage stamps had to be impressed into the internal revenue service and those so used bear in black letters the symbol I. R.

Beside the taxing provisions the revenue law authorizes the issue of $100,000,000 certificates of indebtedness and $400,000,000 of three per cent. bonds redeemable at the pleasure of the Government after ten years and payable in twenty years. The Secretary of the Treasury, on the day the bill was signed, invited subscriptions for $200,000,000 of the bonds; and in recognition of the requirement of the law that the loan be made a popular one, the Secretary announced that preference would be given to subscriptions for $500 and smaller amounts.

At the end of the month subscriptions had been received for nearly $800,000,000 of which $40,000,000 was in amounts of $500 and less. That the Government is making a sacrifice to a sentiment is apparent in the fact that one proposal has been made to take $100,000,000 of the bonds at a premium of one per cent. Were the Secretary of the Treasury authorized to sell the bonds to the highest bidder there is no question that a considerable premium would be obtained. But the experiment of placing a "popular loan" is now being tried under circumstances as favorable to its success as ever can exist. Unless the fact is demonstrated that the people of this country are really anxious to invest in Government bonds, the old methods of placing loans will probably be employed hereafter, although the remainder of the $400,000,000 bonds will have to be offered on the popular plan unless Congress amends the law.

The success of the loan is assured, however, and the fact must impress itself upon the minds of the foreigners that the United States is prepared to foot any bill, no matter how large it may be, in maintaining the Government in time of war however grudgingly we may give in time of peace.

The expense of war is yet not fully in evidence in the Treasury statements of expenditures, but the first month of the new fiscal year will no doubt show a large increase in Government disbursements. In June nearly $30,000,000 was expended for war and navy as compared with less than $6,000,000 in February last. In the past four months more than $84,000,000 has been so used as against about $26,000,-000 in the same time last year.

The Government's fiscal year ends with a deficit reported at $40,000,000, but receipts from the sale of the Union and Kansas Pacific railroads swelled the revenues by $60,000,000 and were that amount excluded the deficit would be $100,000,000, nearly $60,000,000 of which was due to the increase in war expenditures. The excess of ordinary expenditures over receipts may therefore be put at $40,000,000 as compared with $20,000,000 in 1897, $28,500,000 in 1896 and $46,500,000 in 1895.

As the Dingley tariff law is supposed to be to some extent on trial by this result, it is only fair to recall the fact that in the last four months of the previous fiscal year the customs revenues were nearly $86,000,000 as against about $48,000,000 in the corresponding period of 1896. This increase of $38,000,000 was largely due to the heavy imports of sugar in anticipation of tariff legislation, and so far as that occurred the revenues of the succeeding fiscal year were depleted. A transfer of that $38,000,000 to the revenues of the fiscal year just ended would have almost entirely wiped out the deficit and have left the deficit of the previous year at nearly $60,000,000.

While the present war continues there will be less attention given to the balancing of receipts and disbursements. While on a war footing the expenditures will be heavy, and borrowing will be resorted to when necessary.

Fortunately the call of the Government for money comes at a time when the supply is in extraordinary volume. This is evident in the present condition of the New York Clearing-House banks, which now hold a larger amount of cash than ever before in their history with a single exception. Their total reserve on July 2 was $249,532,200. Only once before was that record equalled, on February 3, 1894, when the reserve was $249,575,100. The specie reserve is wholly without parallel as to its present magnitude, now amounting to $186,070,200. The largest amount held prior to this year was $129,558,900 on February 3, 1894, while on August 1, 1896, they held only $46,254,700.

Another fact indicative of the extraordinary supply of money is that the deposits of the New York banks are the largest ever reported, now exceeding $750,000,000 having increased $91,000,000 in the past nine weeks. They are $11,000,000 more than in February last when the war scare caused a heavy decline in deposits. Prior to 1892 the deposits never reached an aggregate of $500,000,000, and not until December, 1896, did they amount to $600,000,000 while they are now $150,000,000 in excess of that sum. While the loans are larger than were ever reported prior to the present year, still the deposits exceed the loans by $129,000,000. Only once in the history of the banks has the excess of deposits equalled that figure, and that was on February 3, 1894.

While evidences of increased activity in business are to be found in all directions, it is plain that for some time to come, aside from any possible disturbance to the money market arising from Treasury operations, there is little likelihood of any money stringency. Money is now lending on call in New York at 1 @ 1½ per cent. and time money, thirty days to six months at 2½ @ 3½ per cent.

Prices for Stock Exchange securities have advanced, although the sharp break in wheat early in the month and the collapse of the Leiter corner duplicating the experience of Messrs Keane, Hutchinson and others in cornering that product, for a while caused stocks to decline. Transactions in stocks in June were forty per cent. greater than a year ago, amounting to 9,200,000 shares, as against 6,400,000 shares in June, 1897. The sales of bonds were $70,000,000, as against $45,000,000 a year ago. The first six months of the year averaged 2,000,000 shares a week against less than 1,000,000 shares a week in 1897. The sales of bonds aggregated about $400,000,000, or just about double last year's record.

Prices of products have generally declined as compared with those ruling a month ago, wheat showing the largest decline, about fifty cents a bushel. Corn is 2½ cents lower, oats 6½ cents and cotton ¼ cent. With the exception of cotton, which is 1½ cent lower, these products are all higher than they were a year ago, wheat ten cents, corn seven cents and oats four cents.

While late in the month the weather has not been entirely favorable to the spring wheat crop, the indications all point to a very large yield of wheat this year. Only once in the past nine years has the condition of winter wheat, on June 1 as reported by the Department of Agriculture, been as favorable as it was this year, the average reported being 90.8 per cent. against 78.5 per cent. last year. The condition of spring wheat on June 1 is reported by the Department as 100.9 per cent., excelling all previous years in the past decade. The relative condition of winter and spring wheat in each of the past six years is shown as follows:

	Winter wheat.				*Spring wheat.*		
	April 1.	*May 1.*	*June 1.*	*July 1.*	*June 1.*	*July 1.*	*Aug. 1.*
1893	77.4	75.3	75.5	77.7	86.4	74.1	67.0
1894	86.7	81.4	83.2	83.9	88.0	68.4	67.1
1895	81.4	82.9	71.1	65.8	97.8	102.2	95.9
1896	77.1	82.7	77.9	75.6	99.9	93.3	78.9
1897	81.4	80.2	78.5	81.2	89.6	91.2	86.7
1898	86.7	86.5	90.8	....	100.9	.....	....

Based on the average condition of wheat on June 1 it is estimated that the total yield this year will be 650,000,000 bushels, of which 375,000,000 bushels are winter wheat and 275,000,000 bushels spring wheat. This would mean the largest crop ever harvested and an increase over the yield of 1897 of 120,000,000 bushels.

There has been a very decided improvement in the earnings of the railroads, but low rates still prevail and the railroads are not making the profits the increased traffic would seem to insure. The completion of the arrangements to establish the Baltimore and Ohio Railroad upon a sound financial basis will soon put that property in the control of its owners. With that road taken out of the hands of the receivers, there will be only one important railroad system, the Wisconsin Central, operated under a receivership. Four years ago over 36,000 miles of railroads, or about one-fifth of the total mileage of the country, were in receivers' hands, now only about 10,000 miles are controlled by receivers.

National Banks of the United States.—As regards number of institutions and capital the national banking system continues to shrink in proportions. The summary prepared by the Comptroller of the Currency of date May 5, shows that there were 3,586 banks in operation on that date, a decrease of eight since February

Condition of the National Banks of the United States.

	Capital.	*Surplus.*	*Individual deposits.*	*Gold.*	*Silver.*	*Legal tenders.*
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	1,639,688,393	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	637,002,395	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	195,895,107	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
May 5, 1898	624,471,670	247,695,979	1,999,308,439	267,644,954	49,537,819	143,033,681

18, 1898, and of 244 since May 4, 1898. The capital is $624,471,670, a decrease of more than $4,000,000 since February 18 and of nearly $30,000,000 in about two years. The individual deposits are the largest ever reported having increased since February nearly $17,000,000 and more than $400,000,000 since October 6, 1896. The gold holdings of the National banks have increased in an extraordinary degree, nearly $45,000,000 since February and $110,000,000 in the last two years. The banks, however, hold less legal tenders than at any previous time on which reports have been made since October 6, 1896, and there was a loss of $26,000,000 since February last. Compared with a year ago loans have increased nearly $174,000,000, individual deposits, $271,000,000, amount due banks, $111,000,000 and total resources over $377,500,000.

The statement of the National banks for May 5 covers a period during which there was a severe drain upon the National banks of New York city, those institutions having been called upon by outside banks for $61,000,000 between February 18 and May 5. We commented upon this fact in the June number, and now that we have the complete figures for all the National banks some further light is obtainable. The amount due from all the National banks to other banks and bankers decreased more than $95,000,000 between the dates named. An examination of the items showing amounts due to National banks, however, will give a more correct idea of the drawing down of bank deposits during the excitement attending the beginning of the war. The following comparative statements show the extent of the withdrawals:

	Feb. 18, 1898.	*May 5, 1898.*	*Decrease.*
Due from other National banks	$170,808,110	$152,872,153	$18,435,957
Due from State and private banks and bankers	48,093,431	45,468,995	2,624,436
Due from approved reserve agents	360,277,020	300,961,619	59,315,401
Total	$579,178,561	$498,802,767	$80,375,794

It is apparent from these figures that the banks were drawing heavily upon their correspondents in the reserve cities, and this notwithstanding the fact that individual deposits were increasing. From nearly every section of the country, as the detailed statement of the Comptroller of the Currency shows, there came a demand for funds of correspondent banks. The National banks of Massachusetts drew nearly $7,000,000 from their reserve agents; of New York, outside of this city, nearly $6,000,000; of New Jersey about $4,000,000; of Pennsylvania, $12,000,000; of Louisiana, $2,000,000; of Texas, $3,500,000; of Kentucky and Tennessee, each $2,000,000; of Ohio, $8,000,000; of Michigan, $4,500,000; of Wisconsin, $2,000,000 and of Minnesota $2,000,000, while in nearly all the other States smaller amounts were drawn.

That the National banks of this city suffered most from the calling in of bank balances might naturally be expected. The following statement shows the source of the drain:

	Feb. 18, 1898.	*May 5, 1898.*	*Decrease.*
Due to other National banks	$240,843,341	$186,908,940	$53,934,401
Due to State and private banks and bankers	93,457,883	86,034,257	7,423,626
Total	$334,301,224	$272,943,197	$61,358,027

Nearly ninety per cent. of the withdrawals from the New York banks came from National banks, and the fact that our local banks at any moment may be called upon to return to out-of-town correspondents $300,000,000 whenever a sentiment of distrust is created, makes the situation of the New York banks at times somewhat perilous. Since May 5 there has been a change in sentiment and the banks here are once more accumulating deposits belonging to institutions in other places.

The fiscal year which closed on June 30 witnessed no more remarkable event in the commercial development of the country than that which is disclosed by an examination of the record of our foreign trade movements. Reports are not in for the last month of the year but enough is known to give assurance that the total exports of merchandise will exceed $1,200,000,000 and that the exports will exceed the imports by $600,000,000. In eleven months we have imported $102,000,000 of gold, exceeding the total for any previous year. The year will show a net balance of exports of merchandise, gold and silver exceeding $500,000,000, making in the past five years nearly $1,400,000,000 of net exports. Our splendid grain crops and the shortage of wheat abroad gave us a market for breadstuffs such as we have rarely had, and this fact is largely responsible for the extraordinary totals which our foreign trade has piled up. There is only one unfavorable feature and that is the small volume of our imports, which aggregate less than for any year in a long time past. The following comparison for six years shows the growth of our export trade:

Year ended June 30.	*Merchandise.*			*Gold balance.*	*Net movement. Merchandise, gold and silver.*
	Exports.	*Imports.*	*Balance.*		
1893.............	$847,665,194	$866,400,922	Imp. $18,735,728	Exp. $87,506,463	Exp. $86,314,802
1894.............	892,140,572	654,994,622	Exp. 237,145,950	" 4,528,942	" 278,839,605
1895.............	807,538,165	731,969,965	" 75,568,200	" 30,083,721	" 132,736,028
1896.............	882,606,938	779,724,674	" 102,882,264	" 78,884,882	" 213,531,630
1897.............	1,050,993,556	764,730,412	" 286,263,144	Imp. 44,653,200	" 273,023,355
1898*............	1,135,485,618	563,596,581	" 571,889,037	" 102,026,989	" 491,916,689

* Eleven months.

Foreign Trade.—The statistics of our foreign trade for June have not yet been compiled but the figures for the eleven months ended May 31 show that our exports of merchandise and imports of gold for the present fiscal year, even with one month missing, exceed those of any previous full year in the history of the country. We exported in the eleven months more than $1,135,000,000 and imported less than $564,000,000 of merchandise, making the excess of exports nearly $572,000,000, a balance more than twice as large as for any previous year excepting 1897, and exceeding the balance of that year by nearly $274,000,000. We exported also $22,000,-000 net of silver, making a total of $594,000,000 against which we have imported $102,000,000 of gold. There is therefore a balance of $492,000,000 still unsettled in the statistics of merchandise and specie movements. As this follows a net export

Exports and Imports of the United States.

Month of May.	Merchandise.			*Gold Balance.*	*Silver Balance.*
	Exports.	*Imports.*	*Balance.*		
1893..................	$68,955,348	$75,955,234	Imp., $6,999,886	Exp., $15,205,760	Exp., $1,293,258
1894..................	61,043,583	56,812,727	Exp., 4,230,856	" 23,124,058	" 2,994,177
1895..................	64,267,179	66,028,854	Imp., 1,761,675	Imp., 3,463,235	" 2,608,594
1896..................	66,568,263	57,260,859	Exp., 9,307,404	Exp. 18,399,161	" 3,244,465
1897..................	77,871,276	79,358,147	Imp., 1,486,871	" 8,516,956	" 1,598,518
1898..................	110,239,206	53,258,847	Exp., 56,980,359	Imp., 13,209,743	" 2,614,983
Eleven Months.					
1893..................	782,218,625	796,706,378	Imp., 14,487,753	Exp., 85,804,919	Exp., 15,113,783
1894..................	834,636,065	603,210,910	Exp., 231,425,175	Imp., 17,847,930	" 34,558,272
1895..................	752,570,335	670,307,921	" 82,262,414	Exp., 32,247,452	" 24,996,585
1896..................	815,901,067	723,560,934	" 92,340,133	" 72,951,352	" 29,907,535
1897..................	977,800,522	679,547,391	" 298,253,131	Imp., 51,186,820	" 29,325,443
1898..................	1,135,485,618	563,596,581	" 571,889,037	" 102,026,989	" 22,054,641

balance of $273,000,000 in 1897 and $213,000,000 in 1896, we have net exports of $978,000,000 in the past three years, or more than $1,000,000,000 when the June movement comes to be added.

THE MONEY MARKET.—Rates for money in the local market further declined last month, and the situation is one of pronounced ease. Whether the subscriptions to the new Government loan will cause a temporary stringency is somewhat in doubt, but the Secretary of the Treasury is trying to prevent any disturbance by arranging as far as possible to leave the money subscribed in the banks, to be withdrawn only as required by the Government for disbursement.

At the close of the month call money ruled at 1 to 1¼ per cent. the average rate being about 1¼ per cent. Banks and trust companies quote 1½ per cent. as the minimum. Time money on Stock Exchange collateral was quoted at 2½ per cent. for 30 days to 90 days, 3 per cent. for four to five months and 3½ per cent. for six to seven months. For commercial paper the rates are 3 @ 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 @ 5½ 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.

	Feb. 1.	March 1.	April 1.	May 1.	June 1.	July 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances	1½–2	1½–2½	1½–5	2¼– 3½	1 –1¾	1 –1¼
Call loans, banks and trust companies	1½–2	2½–	2 –2½	4 –	1½–2	1½–
Brokers' loans on collateral, 30 to 60 days	2½–	3 –3½	4 –4½	6 –	2¼–2½	2½–
Brokers' loans on collateral, 90 days to 4 months	2½–3	3½–4	5 –6	6 –	3 –	2½–3
Brokers' loans on collateral, 5 to 7 months	3 –	4 –	5 –6	6 –	3½–	3 –3½
Commercial paper, endorsed bills receivable, 60 to 90 days	3 –	3½–	5 –	6 –	3¾–	3 –3½
Commercial paper prime single names, 4 to 6 months	3¼–4	3½–4	5½–6	6½–7	4 –4½	3½–4
Commercial paper, good single names, 4 to 6 months	4 –5	4½–5	6½–7½	7 –9	5 –6	4½–5½

A significant incident as it affects the future of the money market was the reduction by the Bank of England in its rate of discount twice during the month. Last April when we were importing gold very heavily the Bank advanced its rate to 4 per cent.—a step which the low condition of its reserve, only 37.25 per cent., warranted. On May 26, however, the reserve had increased more than 10 per cent. and the rate of discount was then reduced to 3½ per cent. A further reduction to 3 per cent. was made on June 2, and again on June 30 to 2½ per cent. This is still ½ per cent. higher than the rate of a year ago, although the reserve is now 48.69 per cent. as compared with 44.30 per cent. then. There have been a number of changes in the Bank of England discount rate in the last two years as is shown below. From February 22, 1894, to September 10, 1896, it will be remembered the

BANK OF ENGLAND DISCOUNT RATES.

	Discount rate.	Reserve per cent.		Discount rate.	Reserve per cent.
September 10, 1896	2½	56.30	September 23, 1897	2½	50.10
September 24, 1896	3	55.14	October 14, 1897	3	43.71
October 22, 1896	4	50.56	April 7, 1898	4	37.25
January 21, 1897	3½	52.15	May 26, 1898	3½	47.74
February 4, 1897	3	52.45	June 2, 1898	3	47.97
April 8, 1897	2½	52.31	June 30, 1898	2½	48.69
May 13, 1897	2	51.40			

rate stood unchanged at 2 per cent. owing to the continued depression of the money market abroad. Since that date the rates have been as shown in the preceding table, the ratio of the Bank's reserve at the time of the changes also being shown.

NEW YORK CITY BANKS.—Probably at no previous time in the history of the New York city banks have the changes in the deposits and reserves been more extensive than in the past few months. From February 11 to April 30 the deposits fell from $738,683,800 to $658,503,300 or $80,000,000, while from April 30 to July 2 they increased to $750,074,600 or $91,500,000. The deposits are now the largest ever reported. The same is true as to the reserve, which is now but little short of $250,000,000, an increase of $41,000,000 since April 30, and of nearly $22,000,000 in the past month. Specie has increased $12,000,000 in the month and about $28,000,000 in the past two months. Deposits are $145,000,000 more than they were a year ago and loans $88,000,000 more. Specie increased nearly $94,000,000 compared with a year ago but legal tenders are about $38,000,000 less. The surplus reserve increased $8,500,000 last month and is about $21,000,000 more than it was a year ago. The condition of the banks reflects an unusual supply of money.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
June 4...	$601,618,300	$175,502,100	$54,102,500	$709,419,600	$52,249,700	$14,730,700	$719,788,400
" 11...	610,762,500	179,182,300	55,711,500	724,210,800	53,841,100	14,719,800	747,874,000
" 18...	610,386,500	182,905,500	59,111,400	730,976,400	59,272,800	14,686,700	763,433,200
" 25...	612,599,100	184,106,900	62,486,300	737,547,800	62,206,250	14,666,400	655,289,900
July 2...	620,983,800	186,070,200	63,462,000	750,074,600	62,013,550	14,659,800	826,863,600

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	729,214,800	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	696,006,400	53,704,600
July..........	499,046,900	20,328,275	604,983,700	41,384,875	750,074,600	62,018,550
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, $750,074,600, on July 2, 1898, and the surplus reserve $111,623,000 on February 3, 1894.

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.*
June 4........	$172,547,000	$181,844,000	$14,834,000	$6,164,000	$6,318,000	$89,531,900
" 11........	174,550,000	185,403,000	15,173,000	6,312,000	6,329,000	100,858,600
" 18........	175,823,000	188,508,000	15,701,000	6,289,000	6,320,000	94,306,600
" 25........	178,187,000	187,787,000	15,980,000	5,980,000	6,305,000	92,585,000
July 2........	180,861,000	191,463,000	15,058,000	5,465,000	6,309,000	115,008,588

PHILADELPHIA BANKS.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
June 4	$110,138,000	$127,071,000	$41,129,000	$5,913,000	$66,841,800
" 11	110,990,000	126,686,000	41,158,000	5,897,000	65,585,100
" 18	111,851,000	127,401,000	41,262,000	5,911,000	72,6 3,100
" 25	112,259,000	125,983,000	39,944,000	5,900,000	65,013,600
July 2	113,443,000	128,526,000	39,900,000	5,915,000	84,612,600

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.*
June 4	$59,074,100	$66,976,500	$3,729,900	$4,333,300	$9,152,200	$2,985,900	$3,457,175
" 11	59,261,000	67,364,300	3,949,100	4,231,400	9,319,400	3,551,800	4,260,325
" 18	59,015,600	67,040,400	3,876,100	4,246,900	9,237,500	4,015,000	4,615,400
" 25	58,979,800	66,899,000	3,783,300	4,282,900	9,105,800	4,430,900	4,878,150
July 2	59,005,300	66,623,900	3,800,900	4,299,500	9,487,600	3,689,300	4,621,325

EUROPEAN BANKS.—All the leading European banks gained gold last month, the Bank of England increasing its holdings about $6,500,000. The Bank of France gained only about $1,000,000 and the Bank of Germany $2,000,000. The Bank of England has $8,000,000 more gold than it held a year ago, but the Bank of France has lost $25,000,000 in the twelve months.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	January 1, 1898.		*June 1, 1898.*		*July 1, 1898.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£30,453,493	....	£37,191,952	....	£38,534,607	....
France	78,114,972	£48,230,367	74,790,720	£49,043,960	75,079,968	£49,529,626
Germany	29,316,000	15,102,000	29,152,000	15,017,000	29,551,000	15,223,000
Austro-Hungary	36,475,000	12,334,000	34,930,000	12,562,000	34,949,000	12,632,000
Spain	9,431,000	10,300,000	9,834,000	4,605,000	9,834,000	4,391,000
Netherlands	2,629,000	6,820,000	2,858,000	6,952,000	2,900,000	7,007,000
Nat. Belgium	2,824,000	1,412,000	2,860,000	1,430,000	2,913,000	1,457,000
Totals	£189,243,465	£94,198,367	£191,616,672	£89,609,960	£193,761,575	£90,189,626

MONEY RATES ABROAD.—There has been a general decline in rates in the European money markets. The Bank of England has twice reduced its rate of discount during the month, on June 2 from 2 to 3 per cent. and on June 30 to 2½ per

MONEY RATES IN FOREIGN MARKETS.

	Jan. 14.	*Feb. 11.*	*Mar. 18.*	*Apr. 1.*	*Apr. 29.*	*June 10.*
London—Bank rate of discount	3	3	3	3	4	3
Market rates of discount:						
60 days bankers' drafts	2½	2¾	2⅞—3	2⅞	3⅛—⅝	1⅝—7/16
6 months bankers' drafts	2⅜	2½—⅝	2⅞	2⅞	3½—⅝	1⅞—2
Loans—Day to day	1⅛	2	2	2	2⅛	1
Paris, open market rates	2	1¾	1¾	1⅞	2	1¾
Berlin, "	3¼	2⅝	2¾	2¾	3¼	3½
Hamburg, "	3½	2⅞	2⅞	2¾	3⅜	3½
Frankfort, "	3½	2 11/16	2⅞	2⅝	3¾	3½
Amsterdam, "	2⅝	2⅝	2½	2⅝	2⅞	2½
Vienna, "	3½	3⅜	3⅜	3⅝	4	3⅞
St. Petersburg, "	5	5	5	4¾	4¾	5¼
Madrid, "	4	4	4	4	5	5
Copenhagen, "	5	4	4	4	4	4½

cent. The Bank of France rate remains at 2 per cent. and discounts of 60 to 90 day bills in London at the close of the month were 1 @ 1⅛ per cent. against 2¼ per cent. a month ago. The open rate at Paris was 1¾ per cent., the same as a month ago; at Berlin 3⅛ per cent., an advance of ⅜ per cent., and at Frankfort 5⅝ per cent., an advance of ½ per cent.

Bank of England Statement and London Markets.

	Mar. 16, 1898.	Apr. 13, 1898.	May 11, 1898.	June 15, 1898.
Circulation (exc. b'k post bills)	£26,429,470	£27,802,810	£27,556,645	£27,310,025
Public deposits	18,909,353	11,996,514	11,403,473	11,494,625
Other deposits	36,272,556	35,906,140	43,516,741	44,908,898
Government securities	14,158,120	18,197,958	13,187,953	13,328,051
Other securities	35,816,210	34,087,675	35,775,252	36,278,747
Reserve of notes and coin	23,717,099	18,433,658	23,812,767	27,689,102
Coin and bullion	33,316,569	29,436,468	34,569,412	38,155,127
Reserve to liabilities	42⅞%	38⅜%	43¼%	48 15/16%
Bank rate of discount	3%	4%	4%	3%
Market rate, 3 months' bills	2⅞@3%	2⅞@3¾%	3¾%	1⅛%
Price of Consols (2¾ per cents.)	111 11/16	110⅝	111	111 1/16
Price of silver per ounce	25⅝d.	26d.	26 1/16d.	26¾d.
Average price of wheat	35s. 10d.	35s. 2d.	42s. 4d.	45s. 4d.

Foreign Exchange.—There have been frequent fluctuations in rates for sterling exchange during the month and the market has been very irregular. After an early advance the market declined, recovering somewhat at the close of the month, and leaving rates somewhat higher than they were a month ago. The tax now levied by the Government upon instruments of exchange will hereafter be added to the price of exchange.

Gold and Silver Coinage.—In June the mints coined $6,903,932.50 gold, $1,432,185 silver, of which $816,100 was standard dollars, $144,067.54 minor coin, making a total of $8,480,185.04. The total coinage for the fiscal year ended June 30 was $72,609,933.11, consisting of gold, $64,634,865; silver, $16,485,584, and minor coin, $1,489,484.11. The standard silver dollars coined during the year amounted to $10,002,780.

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	6,903,932	1,432,185
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	$35,723,597	$8,092,888

United States Public Debt.—While the Government actually disbursed $14,000,000 more money than it received last month, the public debt statement shows an apparent reduction in the net debt of nearly $10,700,000. The only explanation is that there have got into the assets of the Treasury the cash payments made by subscribers to the new bonds, while as yet the bonds not having been issued do not figure in the liabilities. An increase of nearly $10,000,000 in the deposits in National bank depositaries on general account tends to verify this assumption. An increase of nearly $10,000,000 is reported in the cash balance, which makes $24,000,000 to be accounted for when the deficit for the month is considered. It is evident therefore that the popular loan has already realized the Government nearly $25,000,000 in cash, and as the bonds should show up in the liabilities this month the next statement will show a very large increase in the public debt both gross and net.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1898.	*May 1, 1898.*	*June 1, 1898.*	*July 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	559,644,950	559,645,900	559,646,050
Refunding certificates, 4 per cent......	44,220	42,160	41,610	41,520
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	$847,367,010	$847,367,410	$847,367,470
Debt on which interest has ceased... ...	1,330,270	1,280,680	1,264,850	1,262,680
Debt bearing no interest:				
Legal tender and old demand notes.....	346,735,363	346,735,363	346,735,363	346,735,018
National bank note redemption acct..	32,268,146	31,974,969	31,275,699	30,493,147
Fractional currency.....................	6,886,937	6,885,252	6,885,252	6,884,752
Total non-interest bearing debt......	$385,890,446	$385,595,584	$384,896,315	$384,112,912
Total interest and non-interest debt.	1,234,586,337	1,234,243,274	1,233,528,575	1,232,743,063
Certificates and notes offset by cash in the treasury:				
Gold certificates.........................	38,128,149	37,555,149	37,486,149	37,420,149
Silver "	387,925,504	396,325,504	397,782,504	398,556,504
Certificates of deposit..................	44,555,000	27,735,000	26,600,000	26,605,000
Treasury notes of 1890	106,348,280	102,691,280	101,981,280	101,207,280
Total certificates and notes...........	$576,956,933	$564,306,933	$563,799,933	$563,788,933
Aggregate debt	1,811,543,270	1,798,550,207	1,797,328,508	1,796,828,508
Cash in the Treasury:				
Total cash assets	861,391,370	831,117,862	821,070,369	835,466,567
Demand liabilities.......................	625,916,601	615,307,240	625,315,554	629,808,997
Balance	$235,474,769	$215,810,622	$195,754,815	$205,657,570
Gold reserve.............................	100,000,000	100,000,000	100,000,000	100,000,000
Net cash balance.........................	135,474,769	115,810,622	95,754,815	105,657,570
Total	$235,474,769	$215,810,622	$195,754,815	$205,657,570
Total debt, less cash in the Treasury.	999,111,568	1,018,432,652	1,037,773,760	1,027,085,498

NATIONAL BANK CIRCULATION.—There was only a small increase in National bank circulation in June, $203,857, while for the year ended June 30 there was a decrease of $3,539,424. The increase in June was entirely in circulation based on Government bonds, the gain here being $922,157, while $718,300 of notes secured by lawful money on deposit with the United States Treasurer were cancelled.

NATIONAL BANK CIRCULATION.

	Mar. 31, 1898.	*Apr. 30, 1898.*	*May 31, 1898.*	*June 30, 1898.*
Total amount outstanding................	$224,398,019	$226,030,136	$227,612,845	$227,816,702
Circulation based on U. S. bonds	191,611,600	194,138,732	196,155,935	197,078,092
Circulation secured by lawful money....	32,786,419	31,891,404	31,456,910	30,738,610
U. S. bonds to secure circulation:				
Four per cents. of 1895..................	26,446,650	27,654,150	28,359,150	28,206,150
Pacific RR. bonds, 6 per cent..........	2,528,000	3,081,000	3,665,000	3,665,000
Funded loan of 1891, 2 per cent........	22,194,250	22,301,750	22,263,000	22,260,500
" " 1907, 4 per cent........	146,794,350	147,014,600	147,387,100	147,728,600
Five per cents. of 1894..	16,402,150	17,111,150	17,706,650	18,341,150
Total	$214,365,400	$217,162,650	$219,377,900	$220,201,400

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1895, $5,732,000; Pacific Railroad 6 per cents., $361,000; 2 per cents of 1891, $1,459,500; 4 per cents of 1907, $18,219,000; 5 per cents. of 1894, $5,080,000; a total of $30,851,500.

The circulation of National gold banks, not included in the above statement, is $83,475.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The Government reports a deficit in revenues last month of $14,342,968, making for the fiscal year a deficit of $38,864,305. But in the receipts of the Treasury are included net $60,201,855 on account of the sale of the Pacific Railroads, making the actual deficit for the year

$99,066,160, of which $46,070,678 was created in the last three months. As the expenditures for war and navy in those three months exceeded $74,000,000, or $54,000,000 more than in the same time in 1897, it is evident that they would have been equal to expenditures since April 30 but for the war. Omitting the receipts from the Pacific Railroad sale the total receipts for the year were about $340,000,000, or $7,000,000 less than in 1897 and $13,000,000 more than in 1896. The customs receipts were nearly $150,000,000, or $26,500,000 less than in 1897.

United States Treasury Receipts and Expenditures.

Receipts. Source.	June, 1898.	Since July 1, 1897.
Customs	$14,555,729	$149,819,594
Internal revenue	16,683,366	169,943,040
Miscellaneous	2,270,218	84,748,448
Total	$33,509,313	$404,511,062
Excess of expenditures	$14,342,968	$38,864,305

Expenditures. Source.	June, 1898.	Since July 1, 1897.
Civil and mis	$6,213,628	$96,546,308
War	19,723,805	91,957,802
Navy	9,506,021	58,848,763
Indians	448,373	10,986,523
Pensions	11,068,020	147,450,940
Interest	892,434	37,585,056
Total	$47,852,281	$443,375,887

United States Treasury Cash Resources.

	Mar. 31.	April 30.	May 31.	June 30.
Net gold	$173,686,764	$180,983,631	$171,922,142	$166,473,139
Net silver	9,498,663	5,783,488	9,006,464	10,904,100
U. S. notes	41,277,682	31,621,483	30,208,559	33,606,769
Miscellaneous assets (less current liabilities)	*29,587,008	*28,217,044	*40,061,586	*45,754,222
Deposits in National banks	31,281,277	28,817,446	28,731,883	36,300,722
Available cash balance	$226,157,827	$218,988,954	$199,807,462	$201,530,723

* 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	$164,236,798
February	24,400,997	28,796,056	148,661,209	28,572,358	26,599,256	167,623,182
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	44,314,062	181,238,137
May	29,797,390	29,109,259	144,319,562	30,074,818	47,849,909	171,818,055
June	36,584,708	22,934,694	140,790,738	33,509,313	47,852,281	*166,473,139
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	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.

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.
Trade dollars	$ .60	......
Mexican dollars	.45¾	$ .46½
Peruvian soles, Chilian pesos	.42	.43½
English silver	4.82	4.85
Victoria sovereigns	4.84	4.87
Five francs	.93	.95
Twenty francs	3.83	3.87

	Bid.	Asked.
Twenty marks	$4.74	$4.78
Spanish doubloons	15.50	15.70
Spanish 25 pesos	4.78	4.82
Mexican doubloons	15.50	15.70
Mexican 20 pesos	19.50	19.60
Ten guilders	3.95	3.99

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, 27 5/16d. per ounce. New York market for large commercial silver bars, 59½ @ 60¼c. Fine silver (Government assay), 59½ @ 60½c.

Money in Circulation in the United States.—There was a further addition to the amount of money in circulation of $3,537,498 in June, an increase which would have been still greater but for the subscriptions paid into the United States Treasury on account of the new Government loan. There was an increase of $11,387,999 in gold coin but this was partly offset by decreases in nearly all the other forms of money, particularly in United States notes and Treasury notes.

Money in Circulation in the United States.

	Jan. 1, 1898.	*May 1, 1898.*	*June 1, 1898.*	*July 1, 1898.*
Gold coin	$547,568,360	$617,038,510	$649,571,881	$660,959,880
Silver dollars	61,491,073	58,561,008	57,596,423	57,259,791
Subsidiary silver	65,720,308	64,586,273	64,042,000	64,823,747
Gold certificates	36,557,689	35,951,999	35,883,209	35,820,639
Silver certificates	376,695,592	392,686,574	391,225,265	390,659,060
Treasury notes, Act July 14, 1890	103,443,936	99,588,970	100,[illegible]26,855	96,665,580
United States notes	262,480,927	288,048,318	290,202,987	286,572,329
Currency certificates, Act June 8, 1872	43,315,000	26,915,000	26,540,000	26,045,000
National bank notes	223,827,7[illegible]5	223,384,790	224,609,636	223,129,706
Total	$1,721,100.640	$1,806,761,442	$1,839,898,256	1,843,435,749
Population of United States	73,725,000	74,255,000	74,389,000	74,522,000
Circulation per capita	$23.34	$24.33	$24.73	$24.74

Money in the United States Treasury.—The United States Treasury gained in total cash last month about $1,400,000, but as nearly $2,700,000 of certificates and Treasury notes were withdrawn from circulation, the net cash shows an increase of more than $4,000,000. There was a loss of nearly $5,000,000 net in gold, but gains in the other classes of currency made up that loss and made the total net increase as mentioned.

Money in the United States Treasury.

	Jan. 1, 1898.	*May 1, 1898.*	*June 1, 1898.*	*July 1, 1898.*
Gold coin	$151,910,176	$133,518,601	$110,702,400	$104,775,284
Gold bullion	45,559,060	83,6[illegible]1,535	96,998,864	98,049,765
Silver Dollars	394,327,049	401,323,414	403,583,999	404,736,731
Silver bullion	102,284,736	99,551,902	98,443,952	98,195,494
Subsidiary silver	10,679,899	12,018,967	12,[illegible]44,089	12,097,682
United States notes	84,200,089	58,632,698	56,478,029	60,108,687
National bank notes	5,186,886	2,728,961	3,086,734	4,770,474
Total	$794,147,895	$791,446,078	$781,338,067	$782,734,117
Certificates and Treasury notes, 1890, outstanding	560,012,217	555,142,543	553,875,329	551,190,299
Net cash in Treasury	$234,135,678	$236,303,535	$227,462,738	$231,543,818

Money in the United States.—The only important change in the total stock of money in the country in June was an increase of $7,600,000 in gold making a gain of $109,000,000 since January 1 last. Gains in silver coin and National bank notes helped swell the increase in the total supply of money to $7,600,000 for the month.

Supply of Money in the United States.

	Jan. 1, 1898.	*May 1, 1898.*	*June 1, 1898.*	*July 1, 1898.*
Gold coin	$699,478,536	$750,557,111	$760,274,281	$765,735,164
Gold bullion	45,559,060	83,671,535	96,998,864	98,049,765
Silver dollars	455,818,122	459,884,422	461,180,422	461,996,522
Silver bullion	102,284,736	99,551,902	9[illegible],443,932	98,195,494
Subsidiary silver	76,400,207	76,60[illegible],240	76,086,089	76,421,429
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	229,014,641	226,113,751	227,696,370	227,900,177
Total	$1,955,236,318	$2,043,064,977	$2,067,360,994	$2,074,979,567

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 June, 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.		JUNE, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	17	9⅛	18⅝—Feb. 7	10¼ Apr. 21	14⅛	12¾	13¼
" preferred	35⅛	17	34⅛—June 11	22⅞—Mar. 12	34⅛	32	33⅝
Baltimore & Ohio	21⅛	9	21¼—June 17	12⅜—Jan. 25	21¼	14¼	14¼
Bay State Gas	16¾	3⅞	5⅛—Jan. 21	2⅜—Mar. 21	4⅛	3⅛	3⅜
Brooklyn Rapid Transit	37⅝	18⅝	55¼—June 30	35—Mar. 12	55¼	42½	54½
Canadian Pacific	82	46⅛	90½—Jan. 20	72—Apr. 21	86⅛	82	84
Canada Southern	62⅛	44⅛	57⅜—Feb. 5	44½—Mar. 12	53⅜	50⅛	50¼
Central of New Jersey	103¼	68¼	98¼—Jan. 7	86½—Mar. 26	97½	92¾	94
Central Pacific	18	7⅛	14½—May 28	11—Apr. 23	14⅜	13½	14¼
Ches. & Ohio vtg. ctfs	27⅛	15⅝	24⅞—Feb. 1	17¼—Mar. 26	24¼	21⅞	22⅝
Chicago & Alton	170	140	166½—Jan. 14	150—Mar. 14	160	157	157
Chicago, Burl. & Quincy	102¼	69⅝	107¾—June 11	85⅞—Mar. 26	107¾	103⅜	105
Chicago & E. Illinois	61	37¼	66—June 1	49—Apr. 19	66	56½	59
" preferred	103	95	113½—Feb. 1	102—Jan. 7	110¼	108	108
Chicago Gas	108¾	73¼	....	....	....	....	....
Chicago, Great Western	20⅝	3⅝	16¼—Jan. 8	9½—Feb. 24	15	14	14¼
Chic., Indianapolis & Lou'ville	13	8	10¼—Jan. 14	7—Feb. 24	10	9½	10
" preferred	38¼	26	33⅜—Feb. 2	23—Apr. 16	31	30	30
Chic., Milwaukee & St. Paul	102	69¼	102⅛—June 1	83¼—Apr. 21	102⅛	97⅞	98¾
" preferred	146	130½	150 June 28	140—Apr. 25	150	148⅞	148⅝
Chicago & Northwestern	132½	101¾	130½—Feb. 11	113¼—Mar. 12	130	124	12[illegible]⅜
" preferred	165½	153	174—Feb. 19	163—Jan. 3	172½	170	170
Chicago, Rock I. & Pacific	97¼	60¼	108⅜—June 1	80—Mar. 25	108⅜	96⅝	97
Chic., St. Paul, Minn. & Om.	89½	47	79½ May 25	65—Mar. 12	79½	75½	77
" preferred	150⅝	133	155—Feb. 28	148—Jan. 5	152	151	152
Clev., Cin., Chic. & St. Louis	41½	21⅛	41¼—June 17	25—Mar. 12	44¼	34¾	41⅝
" preferred	86½	63	88¾—June 17	77½—Mar. 9	88¾	80	88
Col. Coal & Iron Devel. Co.	2	⅜	⅞—Jan. 28	¼—Apr. 7	¾	½	¾
Col. Fuel & Iron Co.	27⅞	15¾	26⅝—Jan. 11	17—Mar. 12	23¼	21	22½
Col. Hocking Val. & Tol	18	1½	8¼—Feb. 10	5—Mar. 18	6¾	5½	6½
" preferred	46	14	27½—Feb. 10	17—Jan. 7	24¾	23	24½
Consolidated Gas Co.	241½	136½	205½—June 9	167—Mar. 26	205½	189	198½
Delaware & Hud. Canal Co.	123	99⅝	114½—Feb. 3	104—Apr. 21	112½	108	108
Delaware, Lack. & Western	164	146½	159—Feb. 5	144¼—Apr. 21	155	155	155
Denver & Rio Grande	14¾	9¼	13—Jan. 12	10—Apr. 26	12½	12¼	12¼
" preferred	50½	36	52¾—Feb. 9	40—Apr. 21	52⅜	48¼	50½
Edison Elec. Illum. Co., N. Y.	132½	101¾	135—Jan. 20	119—Apr. 8	129⅝	126	129⅝
Erie	19	11½	16¼—Feb. 4	11—Apr. 21	14¼	13¼	13¼
" 1st pref	46⅝	27	43⅜—Feb. 11	29¼—Apr. 22	37¾	35⅛	35¼
" 2d pref	25⅝	15½	21⅜—Feb. 11	15½—Apr. 22	19⅛	17	17
Evansville & Terre Haute	34	20	26—May 11	22—May 9	26	26	26
Express Adams	165	147¼	180—Feb. 10	97¼—Apr. 29	101½	100	100
" American	119½	109½	130—Feb. 14	116—Jan. 5	130	128	128
" United States	48	37	45—Feb. 9	38—Apr. 14	43	40	43
" Wells, Fargo	120	97	123—June 24	112½—May 5	123	117	121
Great Northern, preferred	141	120	180—June 30	130—Jan. 12	180	175	180
Illinois Central	110¾	91½	108⅞—Jan. 31	96—Apr. 21	106¼	103¾	105½
Iowa Central	13¾	6	10—June 11	7¼—Mar. 18	10	9½	9½
" preferred	41¾	23	35¼—June 11	25—Apr. 28	35¼	31¼	32½
Laclede Gas	49¼	22	52—June 3	37½—Mar. 25	52	48	51¼
" preferred	96	70¼	94½—Jan. 14	85—Mar. 12	93½	90½	92¼
Lake Erie & Western	22½	13	18⅝—Feb. 8	12½—Mar. 14	16½	14¾	14¾
" preferred	79⅞	58¼	76¼—Feb. 8	66—Mar. 14	74¾	70¾	71¾
Lake Shore	181	152	194¾—Jan. 29	170¾—Jan. 4	192	187½	192
Long Island	55	38	51—June 1	40—Jan. 20	51	50	50¾
Louisville & Nashville	63⅞	40⅛	60½—Jan. 31	44—Apr. 21	57¼	51½	51⅝
Manhattan consol	113	81¾	120¼—Jan. 14	91—Mar. 26	106½	102⅝	104⅝
Metropolitan Street	133½	99¾	171½—Feb. 14	125¼—Mar. 26	162½	156½	157¾
Michigan Central	111⅞	90	114⅞—Feb. 8	99½—Mar. 12	106	102¾	105⅝
Minneapolis & St. Louis	31½	16	30⅞—Feb. 15	24—Mar. 11	30	27½	29
" 1st pref	90	77¾	91—June 27	84—May 14	91	89½	91
" 2d pref	62¾	46	63—June 8	46—Mar. 26	63	59½	60½
Missouri, Kan. & Tex.	16⅞	10	14¼—Jan. 26	10—Apr. 18	12½	11⅛	11¼
" preferred	42	24¾	41—Jan. 28	28¾—Mar. 12	36⅞	32¾	33½

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1897.		Highest and Lowest in 1898.		June, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	40¼	10	36½—June 11	22 —Mar. 12	36½	34⅛	35
Mobile & Ohio	32	18	32½—Feb. 7	24¾—Apr. 19	29½	26½	26½
N. Y. Cent. & Hudson River	115½	92⅛	119¾—Jan. 28	105 —Mar. 26	117⅝	114⅞	115⅝
N. Y. Chicago & St. Louis	17⅝	11	15⅝—Jan. 31	11⅝—Mar. 14	14	13¼	13¼
" 1st preferred	81½	67⅝	76 —Jan. 31	65 —May 10	67½	67	67
" 2d preferred	43½	24	40¼—Jan. 29	28 —Mar. 25	35	34	34
N. Y., New Haven & Hartf'd.	186	160	195½—Feb. 2	178¼—Jan. 7	191¾	187	190½
N. Y., Ontario & Western	20½	12¾	18⅞—Feb. 2	13⅜—Apr. 25	16	14⅞	15⅛
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	15½	14½	14½
" preferred	48½	17	56¼—Feb. 7	42½—Mar. 12	54½	51¼	51⅞
North American Co.	6⅛	3⅝	6¾—June 16	4¼—Jan. 15	6¾	5⅞	6
Northern Pacific tr. receipts.	22⅜	11	31⅛—June 6	19 —Feb. 24	31⅛	27⅛	29⅝
" pref tr. receipts	61⅝	32⅛	70½—June 6	56⅞—Mar. 12	70½	67⅜	69½
Oregon Railway & Nav	41	10	54¼—Feb. 1	35½—Jan. 7	53¼	51	51
" preferred	73½	37⅞	74 —June 11	65½—Mar. 29	74	70	71
Oregon Short Line	23¾	10⅞	33¾—Feb. 17	19⅜—Jan. 8	33½	29½	29½
Pacific Mail	39¼	24	32⅜—Feb. 4	21 —Apr. 21	30¼	28⅛	29
Pennsylvania R. R.	119	103⅛	120⅝—Feb. 7	110¾—Mar. 12	117⅜	114¾	116
Pitts., Cin. Chic. & St. Louis	30½	11½	47½—May 1	38⅞—Jan. 5	45¼	42¾	44
" preferred	70½	44⅛	71 —Feb. 7	57 —Mar. 23	66	64	65
Pullman Palace Car Co.	185	152	207¼—June 30	165 —Mar. 12	207¼	186½	207
Reading Voting Tr. ctfs.	29¼	16¼	23⅝—Jan. 6	15½—Mar. 25	20⅝	18¾	18¾
" 1st prefered	57¾	38½	54⅛—Feb. 3	36 —Mar. 12	49	45⅛	45¾
" 2d preferred	35⅞	22½	29 —Jan. 6	18⅞—Mar. 26	25	22¾	22¾
Rome, Wat. Ogdens' g.	122½	117	123 —Jan. 4	116¼—Mar. 26	122	122	122
St. Louis & San Francisco	9	4	8⅜—June 3	6 —Mar. 26	8⅜	7⅝	7⅝
" 1st preferred	59⅝	37	65⅝—June 6	52½—Mar. 12	65⅝	61	61¾
" 2d preferred	27½	12	32⅛—June 1	22½—Feb. 24	32½	28⅛	28⅛
St. Louis & Southwestern	7	1	5¾—June 17	3¾—Jan. 24	5¾	5	5
" preferred	14⅝	3½	12⅝—June 7	7¾—Mar. 12	12⅝	10⅝	10⅝
St. Paul & Duluth	30	20	25 —Jan. 8	20½—Jan. 6	26	22	22
" preferred	87½	75	87½—Feb. 14	78 —Apr. 20	....	....	....
St. Paul, Minn. & Manitoba	125	114	145½—June 2	123⅞—Jan. 12	145½	141	142
Southern Pacific Co.	23⅛	13½	22 —Jan. 12	12 —Apr. 18	20	16¾	18¾
Southern Railway	12¼	7	9⅞—Feb. 10	7 —Apr. 21	9½	8	8¼
" preferred	38⅜	22⅞	33¼—Feb. 11	23⅝—Mar. 26	33⅛	29	29¼
Tennessee Coal & Iron Co.	35⅛	17	28½—Jan. 11	17 —Mar. 12	26½	23	25½
Texas & Pacific	15	8	12¾—June 30	8⅞—Mar. 12	12¾	11⅛	12¼
Union Pacific trust receipts	27¾	4⅛	36½—Feb. 1	16⅛—Mar. 25	25⅞	22¾	23⅝
Union Pac., Denver & Gulf	11⅜	1	10¼—Feb. 18	5⅜—Apr. 20	8¼	6¾	6⅞
Wabash R. R.	9¾	4⅝	7⅞—Jan. 12	6¼—Mar. 26	7⅞	7	7
" preferred	24⅝	11½	20½—May 9	14¼—Mar. 7	20½	18⅝	19
Western Union	93¾	77¼	95 —June 24	82¼—Mar. 26	95	90	93
Wheeling & Lake Erie	6½	½	3¾—Jan. 11	1½—June 29	2⅞	1⅛	1⅝
" preferred	29	2⅜	16 —Jan. 12	9¼—Mar. 12	14	10	10
Wisconsin Central	4⅝	1	3⅞—Jan. 17	⅞—Jan. 6	2⅝	2⅛	2⅝
"Industrial" Stocks:							
American Co. Oil Co.	26⅞	9¼	23⅛—Jan. 10	15½—Mar. 25	22⅝	20	20¾
" preferred	80½	52¼	77¼—Feb. 1	66 —Mar. 14	75½	73¾	74½
American Spirits Mfg Co.	15⅞	6½	15⅜—June 9	6½—Jan. 20	15⅝	11½	13⅞
" preferred	36	15	40⅜—June 27	16 —Mar. 26	40⅝	32	37⅝
American Sugar Ref. Co.	159½	109⅛	145⅛—June 6	107½—Mar. 26	145⅛	128⅝	132½
" preferred	121½	100¼	116 —Jan. 6	103 —Mar. 25	115½	111	112½
American Tobacco Co.	96⅜	67½	121 —June 27	83¾—Jan. 24	121	108¾	119
" preferred	115	100	120 —June 29	112¼—Mar. 26	120	119	120
General Electric Co.	41⅝	28⅝	39⅞—June 30	29¼—Mar. 12	39⅞	36½	39
National Lead Co.	44	21⅞	37⅞—Jan. 7	26¼—Mar. 26	36½	33	34¼
" preferred	109¾	88⅜	109½—Feb. 10	99 —Apr. 22	107¾	105½	106½
National Linseed Oil Co.	23½	10	21⅞—May 23	15 —Mar. 25	20½	15⅝	15⅝
National Starch Manfg. Co.	13	3	9 —Feb. 10	5 —Apr. 25	....	....	....
Standard Rope & Twine Co.	11¾	2¾	7 —May 23	3¼—Jan. 3	6¾	5⅝	6½
U. S. Leather Co.	10¼	6¼	8⅞—May 24	5¼—Apr. 25	8¼	7	7¼
" preferred	72	50⅛	69¼—May 25	53¾—Mar. 26	68¼	63¾	66⅜
U. S. Rubber Co.	25¼	10	26 —June 27	14¼—Mar. 12	26	19⅝	24½
" preferred	76⅞	50	90 —June 27	60 —Mar. 12	90	78½	87⅞

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.	June Sales. High.	June Sales. Low.	June 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	June 27,'98	85	84⅛	68,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	116,477,000	A & O	93⅞	June 30,'98	94	93	3,728,000
" registered..................	....	A & O	89⅝	Mar. 22,'98	....	....	....
" adjustment, g. 4's.....1995	51,728,000	NOV	67½	June 30,'98	67⅝	65	8,576,000
" 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	82⅛	Feb. 8,'96	....	....	....
Atlanta & Danville 1st g. 5's.....1950	1,238,000	J & J	99¾	June 24,'98	99¾	99⅛	13,000
B. & O. 1st 6's (Parkersburg br.), 1919	3,000,000	A & O	110½	June 29,'98	111¼	107	373,000
" 5's, gold..........1885–1925	3,021,000	F & A	114	June 28,'98	114	109	13,000
" coupons off...............			....	....	....	....	....
" registered...............		F & A	113¾	June 27,'98	113¾	108½	7,000
" eng. ctfs of deposit.......	6,979,000	......	109¼	June 30,'98	110½	101	843,000
B. & O. con. mtge. gold 5's......1988	5,265,000	F & A	113	June 29,'98	113⅝	111	136,000
" registered...............		F & A	103⅛	May 24,'98	....	....	....
" J.P.M. & Co. cfs. dep'it....	6,713,000	......	113	June 29,'98	113	113	10,000
Balti. Belt, 1st g. 5's int. gtd., 1990	6,000,000	M & N	99⅛	June 28,'98	100	98	56,000
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	106	June 25,'98	106	105⅛	66,000
B & O. Southwest'n 1st g. 4½'s, 1990	10,667,000	J & J	103	June 13,'98	103	102	33,000
" 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	27½	June 8,'98	27½	27	17,000
" "B"....................2043	9,655,000	DEC	9	June 6,'98	9	9	10,000
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	120¾	June 30,'98	121	120¾	16,000
" 1st Spr'gfield div. 7's, 1905	1,984,000	M & N	105¼	June 21,'98	105½	102¾	83,000
" 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,'96	....	....	....
Brooklyn E. Tr. Co. cfs 1st g. 6s's, 1924	3,464,000	......	92	June 30,'98	92½	85	224,000
" Tr. Co. ctfs. 2d g. 5's..1915	1,246,000	......	....	....	....	....	....
" all instal. paid............		......	86	June 27,'98	86	86	10,000
Seas. & B. B. Tr. Co. cfs. 1st g. g. 5's. 1942	1,357,000	......	70⅛	Dec. 14,'97	....	....	....
" all instal. paid............		......	....	....	....	....	....
Union Ele. Tr. Co. ctfs. 1st g. g. 6's, 1937	6,124,000	......	91⅝	June 30,'98	91⅝	85	276,000
Brooklyn Rapid Transit g. 5's...1945	6,398,000	A & O	102½	June 30,'98	102½	95¾	781,000
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	105½	June 28,'98	105½	104½	71,000
" 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	106¾	June 28,'98	106¾	104¾	12,000
" con. 1st & col. tst 5's...1934	6,425,000	A & O	105½	June 23,'98	105½	103	6,000
" 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. Price.	Last Sale. Date.	June Sales. High.	June Sales. Low.	June Sales. Total.
Canada Southern 1st int. gtd 5's,	1908	13,920,000	J & J	110⅛	June 30,'98	111⅛	108⅜	57,000
" 2d mortg. 5's,	1913	5,100,000	M & S	109	June 27,'98	109	108½	9,000
" registered	....		M & S	106⅛	May 22,'97	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1937	4,880,000	M & N	92½	June 30,'98	92½	92½	10,000
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	114½	June 3,'98	114½	114½	1,000
" registered $1,000 & $5,000	....		F & A	....	....	....	....	....
" con. g. 5's	1945	16,500,000	M & N	89½	June 30,'98	91⅛	87⅛	68,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	....	....	....	....	....
" 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	40	June 30,'98	44⅛	38⅛	270,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	18⅝	June 21,'98	15	13	122,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	5	May 26,'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	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	June 22,'98	104¾	104¾	10,000
" 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	....	....	....
" gen. g. 5's	1987	43,924,000	J & J	115	June 30,'98	115	113¾	82,000
" registered			Q J	113¼	June 4,'98	113¼	113¼	5,500
Lehigh & W.-B. con. assd. 7's	1900	5,500,000	Q M	100½	June 30,'98	101	99¾	30,000
" mortgage 5's	1912	2,691,000	M & N	90	June 28,'98	90	90	1,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	115	June 23,'98	115	114	20,000
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		......	101¾	May 5,'98	....	....	....
" " " F G H I.	1901		......	....	....	....	....	....
" San Joaquin br. g 6's	1900	6,080,000	A & O	102½	June 17,'98	102½	102½	2,000
" 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	102	Mar. 19,'98	....	....	....
" 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	104	June 29,'98	104	103½	9,000
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	June 29,'98	101¼	101	86,000
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	101½	Jan. 7,'98	....	....	....
" 6's, g., Series A	1908	2,000,000	A & O	118	June 22,'98	118	118	2,000
" Mortgage gold 6's	1911	2,000,000	A & O	119	June 21,'98	119	119	4,000
" 1st con. g. 5's	1939	24,979,000	M & N	114½	June 30,'98	114½	113½	181,000
" registered	....		M & N	114	Feb. 7,'98	....	....	....
" Gen. m. g. 4½'s	1992	23,722,000	M & S	83¾	June 30,'98	85	81¼	1,437,000
" registered	....		M & S	85	Dec. 30,'98	....	....	....
" (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	105½	June 30,'98	105½	103½	84,000
" 2d con. g. 4's	1989	1,000,000	J & J	94	May 25,'98	....	....	....
" Craig Val. 1st g. 5's	1940	650,000	J & J	95½	May 27,'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	102	June 30,'98	102¼	100½	64,000
Chicago & Alton s'king fund 6's.	1903	1,722,000	J & J	113½	Apr. 21,'98	....	....	....
Louisiana & Mo. Riv. 1st 7's	1900	1,785,000	F & A	108	June 15,'98	108	107½	3,000
" 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	118	June 22,'98	118	117½	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	107	June 30,'98	107½	106	24,000
" convertible 5's	1903	15,263,900	M & S	111½	June 30,'98	112	109¾	86,000
" (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	100½	June 29,'98	100¾	100½	7,000
" Denver div. 4's	1922	5,959,000	F & A	99¾	June 17,'98	99¾	99¾	3,000
" 4's	1921	3,200,000	M & S	99	June 15,'98	100	99	4,000
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	107½	Jan. 18,'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's paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
• Nebraska extensi'n 4's, 1927	26,110,000	M & N	99	June 28,'98	99	97¼	139,000
• registered..................		M & N	97	May 9,'98	....	....	....
• Han. & St. Jos. con. 6's, 1911	8,000,000	M & S	120½	May 23,'98	....	....	....
Chic. Burl. & Northern, 1st 5's. 1926	8,241,000	A & O	106¼	June 2,'98	106¼	106	12,500
Chicago & E. Ill. 1st s. f'd c'y. 6's. 1907	2,969,000	J & D	116	May 28,'98	....	....	....
• small bonds...............		J & D	112	Apr. 2,'98	....	....	....
• 1st con. 6's, gold......1934	2,653,000	A & O	123	Apr. 19,'98	....	....	....
• gen. con. 1st 5's.......1937	9,767,000	M & N	108	June 22,'98	108½	106	84,000
• registered...............		M & N	106¼	June 7,'98	106¼	106	2,000
Chicago & Ind. Coal 1st 5's 1936	4,626,000	J & J	103	June 27,'98	....	....	....
Chicago, Indianapolis & Louisville.							
Louisv. N. Alb. & Chic. 1st 6's..1910	3,000,000	J & J	115½	June 10,'98	115½	115½	3,000
Chic. Ind. & Louisv. ref. g. 5's..1947	2,018,000	J & J	90	June 24,'98	90	90	1,000
• refunding g. 6's...........1947	4,700,000	J & J	103	June 27,'98	104	103	9,000
Chicago, Milwaukee & St. Paul.							
Mil. & St. Paul 1st 7's $ g, R.d..1902	3,040,000	J&J	142½	May 23,'98	....	....	....
• 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	145½	June 28,'98	145½	145½	2,000
• 1st 7's, Iowa & D, ex, 1908	3,339,000	J & J	143	May 25,'98	....	....	....
• 1st 6's, Southw'n div., 1909	4,000,000	J & J	117½	May 23,'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	120½	June 27,'98	120½	120	24,000
• 1st H'st & Dk. div. 7's, 1910	5,680,000	J & J	130	June 24,'98	130	128¼	25,000
• 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	117¾	June 29,'98	117½	116	21,000
• Chic. & M. R. div. 5's, 1926	3,083,000	J & J	116	May 31,'98	....	....	....
• 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	114	June 8,'98	114	114	2,000
• terminal 5's...........1914	4,748,000	J & J	114	June 20,'98	114	114	57,000
• 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	114	June 21,'98	114	114	2,000
• g. m. g. 4's, series A...1989	23,676,000	J & J	106	June 29,'98	106	104	142,000
• 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	120	June 9,'98	120	120	10,000
Chic. & Northwestern cons. 7's..1915	12,771,000	Q F	139¾	June 1,'98	139¼	139¾	1,000
• coupon gold 7's........1902	10,792,000	J & D	114	June 29,'98	114⅛	113	31,000
• registered d. gold 7's .1902		J & D	114	June 7,'98	141	113¾	8,000
• sinking fund 6's..1879-1929	5,591,000	A & O	114⅛	June 24,'98	114½	113¾	8,000
• registered.................		A & O	114	June 14,'98	114	114	1,000
• 5's................1879-1929	7,237,000	A & O	106½	May 16,'98	....	....	....
• registered.................		A & O	109½	Dec. 30,'97	....	....	....
• debenture 5's..........1933	9,800,000	M & N	116½	June 29,'98	116½	116	5,000
• registered.................		M & N	117	Mar. 8,'98	....	....	....
• 25 year deben. 5's.....1909	6,000,000	M & N	109½	June 15,'98	109½	108½	27,000
• registered.................		M & N	109½	Mar. 19,'97	....	....	....
• 30 year deben. 5's.....1921	10,000,000	A & O	112	May 11,'98	....	....	....
• registered.................		A & O	107	Nov. 20,'95	....	....	....
• extension 4's.....1886-1926	18,632,000	F A 15	105½	June 24,'98	105½	104½	55,000
• registered.................		F A 15	103	June 10,'96	103	103	5,000
• gen. g. 3½'s...........1987	4,960,000	M & N	101⅜	June 20,'98	102	101	19,000
• • registered		Q F	....	....	....	....	....
Escanaba & L. Superior 1st 6's..1901	455,000	J & J	107¾	May 26,'98	....	....	....
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	134	June 21,'98	135¼	133	8,000
• 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	113½	June 6,'98	113½	113½	4,000
• 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 19,'98	....	....	....
• income....................	500,000	M & N	112	Apr. 27,'96	....	....	....
Chic., Rock Is. & Pac. 6's coup...1917	12,100,000	J & J	132	June 30,'98	132	132	4,000
• 6's registered.........1917		J & J	128	June 30,'98	128	128	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.	June Sales. High.	June Sales. Low.	June Sales. Total.
" debenture 5's	1921	1,950,000	M & S	107⅛	June 28,'98	107⅛	106⅛	2,000
" registered		....	M & S	....		....	....	....
" gen. g. 4's	1988	43,481,000	J & J	105⅝	June 30,'98	105⅛	104⅝	1,253,000
" 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	106⅛	June 16,'98	106⅛	106⅛	10,000
" small bond	1923	....	A & O	100	Apr. 15,'97	....	....	....
Chic., St.P., Minn.& Oma.con. 6's	1930	13,741,000	J & D	133¾	June 30,'98	134⅛	132⅛	72,000
Chic., St. Paul & Minn. 1st 6's	1918	2,672,000	M & N	132	June 8,'98	132	132	10,000
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	130⅛	June 30,'98	130⅛	130	9,000
Chic., Term. Trans. R. R. g. 4's	1947	13,000,000	J & J	87	June 30,'98	87⅛	85	333,000
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	120½	June 18,'98	120⅛	118¾	2,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	98⅛	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	103⅛	Mar. 13,'97	....	....	....
Cin., Day. & Ir'n 1st gtd. g. 5's	1941	3,500,000	M & N	108½	June 23,'98	108⅛	108	17,000
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	......	70	June 10,'98	70	70	6,000
Clev., Cin., Chic. & St.L. gen. m. 4's	1993	7,574,000	J & D	82	June 29,'98	82	82	3,000
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	88	June 8,'98	88	88	1,000
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	95	June 28,'98	95	93	34,000
" 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	80	June 13,'98	80	80	2,000
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	90	Apr. 12,'98	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,685,000	Q F	99½	May 26,'98	....	....	....
" registered				95	Nov. 15,'94	....	....	....
" con. 6's	1920	731,000	M & N	107½	June 30,'98	107⅛	107⅛	4,000
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	78⅛	June 29,'98	78⅛	75	180,000
" income 4's	1990	4,000,000	A	18⅞	June 30,'98	19	17	75,000
Clev., C., C. & Ind. 1st 7's s'k. f'd.	1899	3,000,000	M & N	103	June 21,'98	103	103	1,000
" consol mortg. 7's	1914	3,991,000	J & D	131½	June 4,'98	131⅛	131⅛	1,000
" 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	....	....	....
" registered			J & J	....		....	....	....
Cin., Sp. 1st m. C., C., C. & Ind. 7's	1901	1,000,000	A & O	107⅛	Oct. 16,'97	....	....	....
Clev., Lorain & Wheel'g con. 1st 5's	1933	4,300,000	A & O	103	May 10,'98	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	103	Apr. 14,'97	....	....	....
" registered			Q J	....		....	....	....
Col. Midld Ry. 1st g. 2-3-4's	1947	6,250,000	J & J	59⅛	June 7,'98	59⅛	59⅛	10,000
" 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	......	79¾	June 30,'98	80	77	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	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	140	June 28,'98	140	140	5,000
" bonds, 7's	1900	281,000	J & J	109	Nov. 23,'97	....	....	....
" 7's	1871-1901	4,991,000	A & O	110⅛	June 30,'98	110⅛	110	11,000
" 1st c. gtd 7's	1915	12,151,000	J & D	139	June 2,'98	139	139	2,000
" 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	118⅛	Nov. 17,'97	....	....	....
Warren 2d 7's	1900	750,000	A & O	118¼	Nov. 6,'95	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	143	May 8,'97	....	....	....
" reg	1917		M & S	143	May 4,'96	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	123⅛	June 29,'98	123⅛	123⅛	3,000
" registered			A & O	128⅛	Feb. 12,'94	....	....	....
" 6's	1906	7,000,000	A & O	115	June 21,'98	115	115	10,000
" 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	....	....	....
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	95	June 30,'98	95⅜	94	71,500
" 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	91⅛	June 30,'98	91⅛	90½	49,500
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	99¾	June 6,'98	99¾	98⅝	20,000
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	6,734,000	A & O	106	June 24,'98	106	106	3,000
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s	1916	2,000,000	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	107	June 8,'98	107	107	7,000
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	117½	June 7,'98	117½	117½	2,000
" 3d extended 4½'s	1923	4,618,000	M & S	111½	June 27,'98	111½	111½	34,000
" 4th extended 5's	1920	2,926,000	A & O	117	June 28,'98	118	117	11,000
" 5th extended 4's	1928	709,500	J & D	104½	June 3,'98	104½	104½	6,000
" 1st cons gold 7's	1920	16,890,000	M & S	142⅛	June 21,'98	142⅛	142½	10,000
" 1st cons. fund c. 7's	1920	3,705,977	M & S	141	June 25,'98	141	141	9,000
Long Dock consol. 6's	1953	7,500,000	A & O	136	June 28,'98	136	136	1,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	133	June 6,'98	133	133	1,000
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	104¼	June 8,'98	104¼	104¼	10,000
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	111	June 29,'98	111	110⅝	48,000
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	92½	June 30,'98	92⅞	91½	418,500
" registered			J&J	....		....	....	....
" gen. lien 3-4s	1996	30,927,000	J&J	74¾	June 30,'98	75	73¾	825,000
" registered			J&J	....		....	....	....
N.Y., Sus. & W. 1st refdg. g. 5's	1937	3,750,000	J & J	108	June 23,'98	108	108	2,000
" 2d g. 4½'s	1937	453,000	F & A	90	Mar. 8,'98	....	....	....
" gen. g. 5's	1940	2,547,000	F & A	91	June 30,'98	92½	90	29,000
" 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	97½	June 22,'98	97½	97	3,000
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	120	June 24,'98	120	119½	10,000
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	118	June 24,'98	118	118	3,000
" 1st General g 5's	1942	2,223,000	A & O	86½	May 31,'98	....	....	....
" 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	June 8,'98	114¼	114¼	1,000
" 1st con. gold 5's	1939	2,100,000	M & N	93¾	June 27,'98	94	92	25,000
" Port Huron d 1st g 5's	1939	3,083,000	A & O	91	June 27,'98	92½	90	35,000
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	......	75½	June 30,'98	75½	70½	565,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	59	May 31,'98	....	....	....
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	92	June 29,'98	92½	91½	38,000
Geo. & Ala. Ry. 1st pref. g. 5's	1945	2,280,000	A & O	108	Aug. 11,'97	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	88	June 23,'97	....	....	....
Houston E. & W. Tex. 1st g 5's	1933	2,700,000	M & N	90¼	June 30,'98	90¼	88	46,000
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	102¼	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	100½	May 19,'98	....	....	....
" 2-10 g. 4's registered			A & O	108	Apr. 15,'98	....	....	....
" collat. trust gold 4's	1952	24,679,000	M & N	101⅛	June 29,'98	101⅛	100	123,000
" 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	5,425,000	F & A	105	June 21,'98	106½	105	4,000
" 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	....	....	....
" Sp'gfield div 1st g 3½'s,	1951	2,000,000	J & J	....		....	....	....
" registered			J & J	....		....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	120	June 30,'98	121½	120	6,000
" gold 5's, registered			J D 15	118¼	Apr. 1,'97	....	....	....
" g. 3½'s	1951	1,852,000	J D 15	....		....	....	....
" registered			J D 15	....		....	....	....
" Memph. div. 1st g. 4's,	1951	8,500,000	J & D	108¼	Jan. 24,'98	....	....	....
" 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	102¾	June 29,'98	102¾	101¾	17,000
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	June 10,'98	118	118	6,000
" 2d g. 5's	1909	6,593,000	M & S	88	June 29,'98	88	83½	68,000
" 3d g. 4's	1921	2,717,500	M & S	57½	June 28,'98	58½	57½	11,000
Iowa Central 1st gold 5's	1938	6,822,000	J & D	102	June 29,'98	102	99½	64,000
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	68⅝	June 30,'98	69½	68	255,000
Kings Co. El. series A. 1st g. 5's	1925	3,177,000	J & J	48	June 30,'98	48	43½	66,000
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	116	May 20,'98	....	....	....
" 2d mtge. g. 5's	1941	2,600,000	J & J	104¼	June 21,'98	104⅞	104	21,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	102	June 4,'98	102	102	11,000
Lake Shore & Mich. Southern.			F & A	121	Apr. 28,'98	....	....	....
Detroit, Mon. & Toledo 1st 7's	1906	924,000	A & O	106	Feb. 15,'98	....	....	....
Lake Shore division b. 7's	1899	1,041,000	J&J	109	May 25,'98	....	....	....
" con. co. 1st 7's	1900	9,529,000	Q J	105¼	June 30,'98	107½	105¼	3,000
" con. 1st registered	1900		J&D	115¾	June 30,'98	115¾	115¾	12,000
" con. co. 2d 7's	1903	8,986,000	J&D	115¾	June 16,'98	115¾	115¾	10,000
" con. 2d registered	1903		J & D	104	June 24,'98	104⅝	104	165,000
" g 3½s	1997	27,412,000	J & D	103	Mar. 29,'98	....	....	....
" " registered			A & O	108¼	Dec. 1,'97	....	....	....
Cin. Sp. 1st gtd L. S. & M. S. 7's	1901	1,000,000	J & J	....		....	....	....
Kal., A. & G. R. 1st gtd g. 5's	1938	840,000	J & J	125	Dec. 9,'97	....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000						
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	103	June 29,'98	108	102½	40,000
" 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	....		....	....	....

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.		JUNE SALES.		
				Price.	*Date.*	*High.*	*Low.*	*Total.*
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	119½	June 28,'98	119½	119½	5,000
Long Island gen. m. 4's	1938	3,000,000	J & D	90	June 23,'98	90	89	7,000
• 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,'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	107⅛	July 16,'96	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,075,000	Q JAN	106⅛	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	33⅛	June 21,'98	36	33⅛	7,000
• Gen. mtg. g. 4's	1943	2,432,000	M & S	9⅛	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	122⅛	June 15,'98	122⅛	122⅛	2,000
• 2d 6's	1930	1,000,000	J & J	107	June 2,'97	107	107	9,000
• E., Hend. & N. 1st 6's	1919	2,030,000	J & D	113¾	June 29,'98	113¾	113¾	2,000
• general mort. 6's	1930	10,058,000	J & D	118	June 8,'98	118	116¾	2,000
• 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	....	....	....
• So. & N. Ala. si'g fd. 6s.	1910	1,942,000	A & O	92½	Sept. 30,'96	....	....	....
• con. gtd. g. 5's	1936	3,673,000	F & A	100½	June 24,'98	101	100	15,000
• gold 5's	1937	1,764,000	M & N	108	May 19,'98	....	....	....
• Unified gold 4's	1940	14,994,000	J & J	90⅛	June 30,'98	90¾	89⅞	297,000
• registered	1940		J & J	83	Feb. 27,'98	....	....	....
• Pen. & At. 1st 6's, g. g,	1921	2,753,000	F & A	105	June 25,'98	105	100¼	5,000
• collateral trust g. 5's,	1931	5,129,000	M & N	108	June 8,'98	108	108	1,000
• L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	109¼	June 20,'98	109¼	108⅛	30,000
• N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	94	June 28,'98	95	93⅝	26,000
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	94¾	June 30,'98	95⅝	94⅛	125,000
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	119	June 17,'98	119⅛	119	29,000
• 2d 6's	1899	4,000,000	M & N	102⅝	June 28,'98	102⅝	102⅛	18,000
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	114	June 30,'98	114	113	144,000
B'way & 7th ave. 1st con. g. 5's,	1997	7,650,000	J & D	119¾	June 27,'98	119¾	118⅛	6,000
• registered			J & D	112½	May 29,'95	....	....	....
Columb. & 9th ave. 1st gtd g 5's,	1993	3,000,000	M & S	120½	June 23,'98	120½	118	86,000
• registered			M & S	....		....	....	....
Lex ave & Pav Fer 1st gtd g 5's,	1993	5,000,000	M & S	120	June 7,'98	120	118⅛	14,000
• registered			M & S	....		....	....	....
Mexican Central.								
• con. mtge. 4's	1911	59,011,000	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	75¼	June 30,'98	75¼	73	238,000
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	42⅝	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	1,318,000	J & D	97	Feb. 11,'97	....	....	....
" registered			J & D	....	....	....	....	....
Michigan Cent. 1st con. 7's	1902	8,000,000	M & N	112	June 21,'98	112	112	12,000
" 1st con. 5's	1902	2,000,000	M & N	102⅝	May 25,'98	....	....	....
" 6's	1909	1,500,000	M & S	122	Feb. 25,'98	....	....	....
" coup. 5's	1931	3,576,000	M & S	121¼	June 21,'98	121¼	121¼	3,000
" 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	107	June 30,'98	107⅞	106¾	57,000
" 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	89,718,000	J & D	89⅞	June 30,'98	89⅞	86¾	845,000
" 2d mtge. g. 4's	1990	20,000,000	F & A	63	June 30,'98	63½	62¼	554,000
" 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	82½	June 29,'98	83⅛	81⅛	129,000
" Kan. C. & P. 1st g. 4's	1990	2,500,000	F & A	73	June 9,'98	73	73	1,000
" Dal. & Waco 1st g. g. 5's	1940	1,340,000	M & N	80	May 13,'98	....	....	....
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	99	June 30,'98	99½	96	49,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	102½	June 30,'98	102¾	100	986,000
" 3d mortgage 7's	1906	3,828,000	M & N	110	June 14,'98	110	109	5,000
" trusts gold 5's	1917	14,376,000	M & S	78	June 13,'98	78⅛	77½	115,000
" registered			M & S	....	....	....	....	....
" 1st collateral gold 5's	1920	7,000,000	F & A	72	June 30,'98	73⅛	71⅛	88,000
" registered			F & A	....	....	....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	108⅝	June 30,'98	108⅝	108⅛	9,000
" 2d extended g. 5's	1938	2,573,000	F & A	109	June 30,'98	109	105½	8,000
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	....	....	....
" 2d. ext. g. 5's	1946	6,000,000	M & N	106¼	June 25,'98	106½	105¾	40,000
" Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	106	June 22,'98	106	106	2,000
" g. con. R.R. & l. gr. 5's	1931	18,274,000	A & O	95¾	June 30,'98	95⅞	94¼	1,051,000
" stamped gtd gold 5's	1931	6,945,000	A & O	94	June 24,'98	94	92	26,000
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	120	June 18,'98	120	119	47,000
" 1st entension 6's	1927	974,000	J & D	119	Dec. 6,'97	....	....	....
" gen. g. 4's	1938	9,450,500	Q J	77½	June 30,'98	78⅛	77	187,500
" Montg'ry div. 1st g. 5's	1947	4,000,000	F & A	99½	June 30,'98	99½	97½	69,000
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	131⅜	May 24,'98	....	....	....
" 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	June 30,'98	102½	102¼	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	....	....	....	....	....
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	23,186,000	J & J	119½	June 23,'98	119½	119	2,000
" 1st registered	1903		J & J	115½	June 29,'98	119	115½	80,000
" debenture 5's	1904	6,373,000	M & S	110⅞	June 30,'98	110⅞	110⅛	14,000
" debenture 5's reg			M & S	109¼	May 17,'98	....	....	....
" reg. deben. 5's	1889-1904	850,000	M & S	108½	Feb. 21,'98	....	....	....
" debenture g. 4's	1905	8,885,000	J & D	104¼	June 30,'98	104¼	104	23,000
" registered	1905		J & D	104¾	Feb. 5,'98	....	....	....
" deb. cert. ext. g. 4's	1905	4,585,500	M & N	104⅝	June 30,'98	104⅝	104½	5,000
" registered			M & N	104⅝	June 30,'98	104⅝	104⅝	1,000
" g. mortgage 3½s	1997	23,801,000	J & J	107	June 28,'98	107	107	1,000
" " registered			J & J	....		....	....	....
Michigan Central col. g. 3½s	1998	11,928,000	F & A	92¼	June 30,'98	92¾	91¼	169,000
" registered			F & A	....		....	....	....
Lake Shore col. g. 3½s	1998	80,537,000	F & A	94⅝	June 30,'98	95	94	122,000
" registered			F & A	....		....	....	....
Harlem 1st mortgage 7's c	1900	12,000,000	M & N	107½	June 13,'98	107½	107½	2,000
" 7's registered	1900		M & N	107⅛	June 3,'98	107⅛	107⅛	50,000
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	110⅛	June 28,'98	110½	108¼	146,000
" registered			J & J	107½	June 27,'98	108½	105½	39,500
Beech Creek 1st. g. gtd. 4's	1936	5,000,000	J & J	108½	Nov. 16,'97	....	....	....
" registered			J & J	106	June 17,'98	106	106	5,000
" 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	121¾	June 14,'98	121¾	121½	16,000
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	123	June 23,'98	123¾	123	6,000
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	105½	June 30,'98	105	103½	47,000
" registered			A & O	104	Apr. 21,'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	157½	June 16,'98	157½	155	21,500
" small certifs	$100	1,430,000	......	153	June 9,'98	153	153	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	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	106	June 29,'98	106½	106	35,000
" Refunding 1st g. 4's	1992	8,375,000	M & S	99½	June 29,'98	99¾	98½	62,000
" Registered	$5,000 only.	....	M & S	83⅜	Aug. 25,'92	....	....	....
N.P. 1st m.R.R.&L.G.S.F.g.c.6's	1921	9,199,000	J & J	115	June 21,'98	117½	115	2,000
" registered			J & J	116	June 4,'98	116	116	10,000
St. Paul & N. Pacific gen 6's	1923	7,985,000	F & A	124	June 8,'98	124	124	3,000
" registered certificates			Q F	127	June 28,'97	127	124½	15,000
N. P. Ry prior ln reg.&ld.gt.g.4's	1997	85,431,000	Q J	98½	June 30,'98	98⅝	96½	1,380,500
" registered			Q J	93½	May 5,'98	....	....	....
" gen. lien g. 3's	2047	56,000,000	Q F	62½	June 30,'98	62¾	61½	697,500
" registered			Q F	....		....	....	....
Nor. Pacific Term. Co. 1st g. 6's	1933	3,910,000	J & J	113½	June 28,'98	113½	112	27,000
Norfolk & Southern 1st g. 5's	1941	750,000	M & N	102	June 27,'98	102	102	10,000
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	120½	June 10,'98	120½	120½	3,000
" 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	88	June 30,'98	88	86	20,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	101	Feb. 23,'97	....	....	....

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Norfolk & West. Ry 1st con. g. 4s.	1996	23,199,400	A & O	81	June 30,'98	83	81	350,000
" 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			
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	83½	June 21,'98	83½	81	13,000
" gen. mortg. g 4's	1921	1,548,000	M & N	14½	Feb. 11,'98			
" gen. eng. Trust Co. certs.		1,255,000		10	June 9,'98	10	10	2,000
Omaha & St. Lo. 1st g 4's	1901	2,376,000	J & J	80	June 29,'98	80	78	4,000
Oregon Ry. & Nav. 1st s. f. g. 6's	1909	1,605,000	J & J	116	June 15,'98	116	115	9,000
Oregon R. R. & Nav.Co.con. g 4's	1946	18,550,000	J & D	95¼	June 30,'98	96	94½	815,000
Oregon Short Line 1st g. 6's	1922	18,651,000	F & A	126½	June 28,'98	127½	124½	278,000
Utah & Northern 1st 7's	1908	4,993,000	J & J	121	June 18,'98	121	121	8,000
" 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	106¾	June 29,'98	107	103¾	171,500
" non-cum. inc. A 5's	1946	7,185,000	SEPT.	73¾	June 29,'98	74½	70½	293,000
" non-cum. inc. B.&col. trust		14,841,000	OCT.	51½	June 30,'98	54	50¾	152,000
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	103	June 30,'98	103	102	115,000
Panama 1st sink fund g. 4½'s	1917	2,000,000	A & O					
" 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	113¼	June 28,'98	113½	112½	16,000
" reg	1921		J & J	112¾	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	110½	June 6,'98	110½	110½	3,000
" Series B	1942	10,000,000	A & O	111	June 28,'98	111¼	110	19,000
" 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	108	June 6,'98	108	108	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	140	May 3,'98			
" 2d 7's	1912	2,546,000	J & J	140	May 9,'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	107	May 25,'98			
" 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	4,447,000	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 Mcb					
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 gtdg. 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			
" Ev. div. Tr. Co. cf 1st g. 6's	1920	1,433,000	M & S	96	June 28,'98	96	96	9,000
" Tr. Co. ctfs. 2d mort 5's	1926	1,851,000	M & N	18½	June 2,'98	18½	18½	10,000
" " 1st instal. paid								
Peoria & Pekin Union 1st 6's	1921	1,500,000	Q F	120	May 11,'98			
" 2d m 4½'s	1921	1,499,000	M & N	85½	May 25,'98			
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.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Pittsburg, Clev. & Toledo 1st 6's	1922	2,400,000	A & O	108½	Apr. 5,'98	....	....	....
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,'98	....	....	....
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	106¼	June 27,'98	106	106	29,000
" 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	89¼	June 29,'98	89½	84	232,000
" Mort. g. 5's	1891-1941	3,500,000	M & N	39	June 15,'97	40	39	19,000
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	86¼	June 30,'98	86¾	84¾	1,597,000
" registered		}	J & J	....	....	....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	89¾	June 30,'98	90	86½	341,000
Rio Grande Junc'n 1st gtd. g. 5's	1939	1,850,000	J & D	91	June 16,'98	91	91	2,000
Rio Grande Southern 1st g. 3-4	1940	4,510,000	J & J	66	June 16,'98	66	66	5,000
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	79	June 29,'98	80¾	76	116,000
St. Louis & San F. 2d 6's, Class A	1906	500,000	M & N	111	May 15,'98	....	....	....
{ " 2d g. 6's, Class B	1906	2,725,000	M & N	113⅝	June 16,'98	114¼	113⅝	4,000
{ " 2d g. 6's, Class C	1906	2,400,000	M & N	114	June 24,'98	114¾	114	7,000
{ " 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	120½	June 29,'98	120½	118½	198,000
{ " gen. g. 5's	1931	12,293,000	J & J	106¼	June 30,'98	106⅛	104⅞	231,000
{ " 1st Trust g. 5's	1987	1,099,000	A & O	100	June 28,'98	100	96½	40,000
{ 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	78¾	June 30,'98	79½	77	303,000
{ " South'n div. 1st g. 5's	1947	1,500,000	A & O	95	June 16,'98	95	93½	53,000
St. Louis S. W. 1st g. 4's Bd. ctfs.	1989	20,000,000	M & N	76¼	June 30,'98	76½	72½	293,000
" 2d g. 4's inc. Bd. ctfs.	1989	8,000,000	J & J	29½	June 30,'98	31¾	29½	385,000
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	105	June 27,'98	105½	105	6,000
St. Paul, Minn. & Manito'a 2d 6's	1909	8,000,000	A & O	120	June 21,'98	120	120	2,000
{ " Dakota ext'n 6's	1910	5,676,000	M & N	120¾	June 16,'98	120¾	120¾	10,000
{ " 1st con. 6's	1933	} 13,344,000	J & J	129	June 7,'98	129	129	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	108	June 24,'98	108	107	58,000
{ " 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	99½	June 25,'98	99½	98¾	10,000
{ " 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	131½	June 15,'98	132	130½	7,000
{ " 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	....	....	....
{ " registered		}	J & J	....	....	....	....	....
{ Eastern Minn, 1st d. 1st g. 5's	1908	} 4,700,000	A & O	109	June 30,'98	109	108½	4,000
{ " registered		}	A & O	....	....	....	....	....
{ Willmar & Sioux Falls 1st g. 5's	1938	} 3,625,000	J & D	111	June 24,'98	111	111	4,000
{ " 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	94½	June 30,'98	94¾	94	126,000

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	JUNE SALES. High.	JUNE SALES. Low.	JUNE 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	105⅛	May 17,'98			
" Mex. & P. div 1st g 5's	1931	13,418,000	M & N	94	June 29,'98	94	92¾	131,000
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	112	June 14,'98	112	110¾	17,000
" con. g 6 s int. gtd	1912	3,455,000	A & O	105	May 11,'98			
" gen. g 4's int. gtd	1921	4,297,000	A & O	81½	June 30,'98	82	81	118,000
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	66¼	June 30,'98	66⅝	61½	1,601,000
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	98¾	June 28,'98	98¾	98	40,000
South'n Pac. of Ariz. 1st 6's	1909–1910	10,000,000	J & J	109¼	June 29,'98	109¼	105	259,000
South. Pac. of Cal. 1st g 6's	1905–12	30,577,500	A & O	106¾	May 20,'98			
" 1st con. gtd. g 5's	1937	19,671,000	M & N	98	June 29,'98	98	96	157,000
Austin & Northw'n 1st g 5's	1941	1,920,000	J & J	84½	June 29,'98	84½	83	105,000
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	110	June 30,'98	110¼	108	146,000
Southern Railway 1st con. g 5's	1994	27,859,000	J & J	95⅝	June 30,'98	96	93¼	1,318,000
" registered			J & J					
" Memph. div. 1st g. 4-4½-5's	1996	5,083,000	J & J					
" 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	108	June 13,'98	108	107¾	5,000
" divisional g 5's	1930	3,106,000	J & J	115	June 25,'98	115	114½	5,000
" con. 1st g 5's	1956	12,770,000	M & N	110	June 25,'98	110	109¼	44,000
Ga. Pacific Ry. 1st g 5–6's	1922	5,660,000	J & J	122	June 15,'98	123	122	25,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	117	June 7,'98	117	117	8,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	125¼	June 24,'98	125¼	125	9,000
" 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	June 3,'98	96	96	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	107¼	June 27,'98	107¼	106	24,000
" gen. 5's. gtd. stamped	1926	2,466,000	M & N	107	June 8,'98	107	107	3,000
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	113	May 9,'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 1g 4½'s	1939	7,000,000	A & O	109	May 18,'98			
" 1st con. g. 5's	1894–1944	4,500,000	F & A	108½	June 20,'98	108½	108½	1,000
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	June 21,'98	110½	110½	8,000
" 1st gold 5's	2000	21,216,000	J & D	105⅞	June 30,'98	106	102½	558,000
" 2d gold income, 5's	2000	23,227,000	MAR.	40	June 30,'98	40¾	36	7,076,000
Third Avenue 1st g 5's	1937	5,000,000	J & J	122½	June 20,'98	122½	122½	3,000

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Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	105	June 13,'98	105	103	15,000
" 1st M. g 5's West. div...1935	2,500,000	A & O	100¾	May 26,'98	....	....	....
" gen. g. 5's.............1935	1,500,000	J & D	....	....	....	....	....
" Kanaw & M. 1st g. g. 4's.1990	2,840,000	A & O	78	June 14,'98	78	78	13,000
Toledo, Peoria & W. 1st g 4's....1917	4,900,000	J & D	72	May 10,'98	....	....	....
Tol., St. L.&K.C. Tr. Rec. 1st g 6's.1916	8,234,000	M & N	86	June 29,'98	88	85⅝	26,000
Ulster & Delaware 1st c. g 5's....1928	1,852,000	J & D	100	June 24,'98	100	98	23,000
Union Elevated (Chic.) 1st g.5's.1945	4,212,000	A & O	....	....	....	....	....
Union Pacific R. R. & ld gt g 4s.1947	90,000,000	J & J	98¾	June 30,'98	98¾	94⅛	9,355,500
" registered..................		J & J	....	....	....	....	....
Union Pac. Tr. Co. cts. g. 4½s..1918	2,000,000	M & N	47¾	June 27,'98	48½	47	44,000
U.P. Den.&GT.Co.cf.1stc.g.5's.1939	15,288,000	J & D	62⅝	June 29,'98	63	58	6,677,000
Wabash R.R. Co., 1st gold 5's....1939	31,664,000	M & N	110⅝	June 30,'98	110½	108⅛	764,000
" 2d mortgage gold 5's..1939	14,000,000	F & A	86¾	June 30,'98	86¾	83⅛	964,000
" deben. mtg series A..1939	3,500,000	J & J	....	....	....	....	....
" series B...............1939	25,740,000	J & J	27¾	June 28,'98	28½	27	59,000
" 1st g.5's Det.& Chi.ex.1940	3,500,000	J & J	105½	June 29,'98	105½	106⅛	65,000
St. L., Kan. C. & N. St. Chas. B. " 1st 6's.................1908	1,000,000	A & O	110	June 7,'98	110	110	8,000
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	110	June 29,'98	110	108	8,000
" gen g. 2-3-4's............1943	10,000,000	A & O	52½	June 21,'98	53	52½	17,000
" inc. 5's..................1943	10,000,000	Nov.	15	June 14,'98	15⅛	14	225,000
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......	1,735,000	......	100	Mar. 18,'98	....	....	....
" Wheeling div. 1st g. 5's.1928	1,500,000	J & J	90	May 26,'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	......	41	June 30,'98	43¾	40⅞	616,000
" 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.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE 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	110½	107¾	129,500
" 4's coupon...................1907		J A J&O	114¾	107	111¼	110	16,500
" 4's registered...............1925	162,315,400	Q F	129½	116¾	125	124½	5,500
" 4's coupon...................1925		Q F	129¾	117⅝	125	123	139,000
" 5's registered...............1904	100,000,000	Q F	115	103¾	....	....	......
" 5's coupon...................1904		Q F	115	109¾	111½	111	46,000
" 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	14,083,600	F & A	115	115	115	115	25,000
" 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.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Adams Express Co. col. tr. g. 4's	1948	12,000,000	M & S	99½	June 28,'98	99½	99	7,500
American Cotton Oil deb. g. 8's	1900	3,068,000	Q F	106½	June 24,'98	108¾	106	9,000
Am. Spirit Mfg. Co. 1st g. 6's	1915	2,000,000	M & S	85	June 30,'98	86	79¾	146,000
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	115	June 30,'98	115	114¼	84,000
B'klyn Wharf & Wh. Co. 1st g. 5's	1945	17,500,000	F & A	93	June 24,'98	94	92	22,000
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	....	....	....
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	....	....	....
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	101½	Apr. 28,'98	....	....	....
" registered			Q & J	104	Feb. 16,'98	....	....	....
Detroit City Gas Co. g. 5's	1923	4,818,000	J & J	94⅞	June 30,'98	95½	91¾	596,000
Detroit Gas Co. 1st con. g. 5's	1918	1,049,000	F & A	92½	June 27,'98	92½	91	14,000
Det. Mack. & Mar. ld. gt. 3½ S A	1911	3,024,000	A & O	16¼	June 16,'98	16¾	16¼	56,000
Edison Elec. Illu. 1st conv. g. 5's	1910	4,312,000	M & S	111	June 22,'98	111½	111	26,000
" 1st con. g. 5's	1995	2,156,000	J & J	117¼	June 10,'98	119	117¼	28,000
" 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	....	....	....
General Electric Co. deb. g. 5's	1922	6,000,000	J & D	104	June 22,'98	104	102	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	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,'98	....	....	....
" 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	105	June 22,'98	105	103	59,000
" 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	108	June 8,'98	108	108	4,000
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	106	May 26,'98	....	....	....
" 1st con. g 6's	1943	4,900,000	A & O	116	May 28,'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	May 13,'98	....	....	....
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	....	....	....
Mutual Fuel Gas Co. 1st gtd. g. 5's	1947	5,000,000	M & N	....	....	....	....	....

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MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Peoria Water Co. g 6's......1889-1919	1,254,000	M & N	100	June 23,'98	....	....	....
Pleasant Valley Coal 1st g 6's....1920	590,000	M & N	106⅝	Oct. 14,'95	....	....	....
Procter & Gamble, 1st g 6's......1940	2,000,000	J & J	118	Apr. 4,'98	....	....	....
Roch & Pitts. Cl & Ir. Co. pur my 5'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	69¾	June 30,'98	71	67⅞	147,000
" " inc. g. 5's. 1946	7,500,000	......	15⅝	June 28,'98	16¼	13⅝	266,00
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	....	....	....
{ " Bir. div. 1st con. 6's...1917	3,399,000	J & J	88½	June 16,'98	89	87⅝	36,000
{ Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & J	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	114½	June 28,'98	114½	114	7,000
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
{ Series B 5's................1899-1914	1,000,000	M & N	....	....	....	....	....
{ " C 5's................1900-1915	1,000,000	A & O	....	....	....	....	....
{ " D 4½'s................1901-1916	1,000,000	J & J	....	....	....	....	....
{ " E 4's................1907-1917	1,000,000	J & D	....	....	....	....	....
{ " F 4's................1908-1918	1,000,000	M & S	....	....	....	....	....
{ Small bonds........................	....	......	....	....	....	....	....
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	105⅛	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	111	June 14,'98	111	109¼	12,000
{ 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. 28,'96	....	....	....
Whitebrst Fuel gen. s. fund 6's..1908	570,000	J & D	....	....	....	....	....

BANKERS' OBITUARY RECORD.

Allen.—Jacob A. Allen, Cashier of the Bank of Warrenton, Ga., and for a number of years a leading merchant of that place, died June 1.

Austin.—Theodore G. Austin, formerly Cashier of the People's Bank, Baltimore, Md., died June 4.

Banks.—Mark Banks, who was Treasurer of the Greenwich (Conn.) Savings Bank until two years ago, died recently, aged about ninety-four years. He had been Treasurer of the bank for thirty years.

Brayton.—S. W. Brayton, President of the Adams National Bank, of North Adams, Mass., died June 19. Mr. Brayton was the first Cashier of the bank, and held this position until 1867, when he was made President. He left the bank in 1865, and was for a time engaged in manufacturing, again becoming President of the bank in 1885.

Canfield.—Ralph E. Canfield, a former President of the New Milford (Conn.) Savings Bank, died June 1. He was one of the incorporators of the bank.

Chamberlin.—Daniel U. Chamberlin, one of the organizers and original directors of the First National Bank, Cambridgeport, Mass., of which he was President, died June 15. He was also President of the Cambridgeport Savings Bank, of Cambridge. Mr. Chamberlin was born at Cambridge in 1824.

Chapman.—Hon. Charles J. Chapman, ex-Mayor of Portland, Me., and Vice-President of the Chapman National Bank of that city, died June 1. Mr. Chapman was born at Bethel, Me., in 1848. After graduating at Bowdowin College he went West, returning to Maine in 1870. From 1886 to 1889 he was Mayor of Portland.

Chase.—Charles W. Chase, who was at one time Vice-President of the City Five Cents Savings Bank and President of the Merrimack National Bank, Haverhill, Mass., died June 6, aged seventy-six years.

Clarke.—Benjamin F. Clarke, one of the oldest residents of Cohoes, N. Y., and Vice-President of the National Bank of Cohoes and the Cohoes Savings Institution, died June 19. Mr. Clarke was born at South Kingston, R. I., in 1828, but had lived in Cohoes since 1846.

Cook.—Henry C. Cook, Cashier of the First National Bank, Vinita, Indian Territory, died June 12, at Kirksville, Mo.

Durkes.—Conrad Durkes, Vice-President and founder of the Franklin Grove (Ill.) Bank, died June 17, aged seventy-nine years.

Everett.—Dr. Arthur Everett, who was the founder of the First National Bank, of Wabash, Ind., died at Cleveland, Ohio, June 19.

Giles.—F. W. Giles, who was one of the pioneer settlers of Topeka, Kas., and formerly engaged in the banking business in that city, died June 9.

Gross.—Israel F. Gross, President of the Drovers and Mechanics' National Bank, York, Pa., of which he was one of the organizers, died June 27, aged sixty-six years. Mr. Gross had a wide and varied business experience and a large circle of friends by whom he was held in high esteem for his many fine traits of character.

Jenks.—Robert H. Jenks, President of the Commercial and Savings Bank, St. Clair, Mich., died June 12. He was Mayor of St. Clair from 1882 to 1886, and was largely interested in manufacturing and mercantile enterprises.

Jones.—M. T. Jones, President of the South Texas National Bank, of Houston, Tex., died June 21, aged fifty-six years. Mr. Jones was born in Tennessee, but had resided in Texas since 1875. He was largely interested in lumber manufacturing and other business enterprises.

Johnson.—John P. Johnson, a banker at Highland, Kas., died May 31. He was born in Illinois in 1817, and graduated at Harvard in 1846.

Lane.—Hon. J. A. Lane, Vice-President of the United States Trust Co., at Boston, died recently. He was a prominent merchant and noted for his philanthropy and public spirit.

Mitchell.—John L. Mitchell, who established the Exchange Bank, of Franklin, Pa., in 1871, and who was formerly President of the bank for many years, died June 12.

Morrow.—James E. Morrow, President of the National Bank of Pontiac, Ill., died June 2, aged sixty-three years. He had resided at Pontiac for about forty years, having been born in Ohio, and had long been President of the bank, besides holding other important positions.

Rhawn.—William H. Rhawn, formerly President of the National Bank of the Republic, Philadelphia, and ex-President of the American Bankers' Association, died at his home in Philadelphia, June 27, in the sixty-sixth year of his age. After gaining business experience as a clerk and bookkeeper he entered the Philadelphia Bank in 1857, as a clerk. He served in various capacities, and when the Philadelphia Clearing-House was opened in January, 1858, he made the first exchange for his bank. He organized the "Runners' Exchange," and afterward organized the Second National Bank of Frankford, becoming its Cashier. In 1864 he took an active part in the organization of the Central National Bank, and was chosen its first Cashier. At the age of thirty-four he was elected President of the National Bank of the Republic, and so remained until the bank went into liquidation on November 9, 1897. He was Secretary of the Clearing-House Association, Vice-President of the National Exchange Bank, and was the means of having it consolidated with the Bank of the Republic in 1870. He was the founder and first President of the Guarantee Trust and Safe Deposit Co., and was identified with many other financial, scientific, literary and other organizations. In 1892 Mr. Rhawn was elected President of the American Bankers' Association, presiding at the convention held at Chicago in 1893. He was also one of the organizers of the Pennsylvania Bankers' Association. He was among the most active and valued members of these organizations, and took a keen interest in their work.

Mr. Rhawn was a business man and citizen of the best type, and had many friends, not only in Philadelphia, but in various parts of the country.

A more extended sketch of Mr. Rhawn's life, accompanied by a full-page portrait, appeared in RHODES' JOURNAL OF BANKING for January, 1893.

Rooks.—A. J. Rooks, until recently Cashier of the Fayette County Bank, Somerville, Tenn., died June 1.

Staples.—Isaac Staples, President of the Lumbermen's National Bank, Stillwater, Minn., died June 27. He was born in Maine in 1816. He was largely engaged in the manufacture of lumber in which he accumulated a considerable fortune.

Winch.—Leonard Winch, who assisted in organizing the Natick (Mass.) Five Cents Savings Bank and the Natick National Bank, died June 12. He was Vice-President of the Savings Bank and was President of the National Bank until January last, when he retired on account of ill health, after holding the position twenty-seven years. He was a director at the time of his death. Mr. Winch was born at South Natick December 27, 1818.

THE

BANKERS' MAGAZINE.

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SECOND YEAR. AUGUST, 1898. VOLUME LVII, No. 2.

THE AMERICAN BANKERS' ASSOCIATION will hold its twenty-fourth annual convention in Denver, Colorado, commencing on Tuesday, August 23d, and continuing throughout the week. It is anticipated that this meeting will be well attended.

The work of the association has been greatly extended during the past three or four years, since the adoption of a more aggressive policy in advancing the interests of the banking community. For a number of years, especially during the period of agitation for the advancement of silver, the association seemed to have its hands more or less tied by radical differences of views held among its members. It was to be expected that so great an evolution as that involving the loss on the part of silver of its function as a standard of value should be attended with great and convulsive movements of opinion, both for and against the inevitable change. It was not surprising that when the minds of the whole public in this and other countries were filled with astonishment at the phenomenon of this change in the monetary standard that the minds of bankers also should exhibit some confusion in regard to the merits of the question. The membership of the American Bankers' Association, composed of banks in all sections of the country, and biassed by the special public opinion and interests of those sections, was at first widely divided in regard to the question of the standard of value.

There have been many earnest and interesting discussions on this topic at the annual conventions, and the records of these discusssions show conclusively that the claim, made by the Populists and free silver people, that the bankers of the United States have conspired for the establishment of the gold standard, is wholly without foundation. It was only by degrees, and after hearing arguments on all sides of the subject, that the bankers attending the conventions of the American Bankers' Association were educated up to the point of passing resolutions in favor of the gold standard.

The convention of 1898 will be held in the stronghold of silver, but it is not probable that any attempt will be made to change the policy which has guided the action of the association during the last three or four years. The convention at Denver will no doubt have a good effect in introducing to the people of that city the men who have been abused as the grasping money power. It has always been one of the best results of these annual conventions, that the delegates have always impressed upon the locality they visited wider and sounder financial views. This has been done not so much by the set speeches and discussions in the convention hall as by the informal social intercourse and interchange of ideas that are the invariable concomitants of the meeting together of financial men from different localities.

The influence of the association has been a gradual and a silent one, and it has generally been hard to define it at any particular time. There has always been a tendency to ask for definite results, almost as if the association were a body with legislative powers. And because these definite results were not accomplished in any one meeting some were disposed to criticize the usefulness of the organization. But that its usefulness was generally recognized by the bankers of the country has been shown by the growth of the State bankers' associations. No doubt some of these were at first started with the latent design of superseding the American Bankers' Association. But the effect has been to show the proper limitations of the usefulness of each. It has been found that as a means of bettering the relations between bankers from all sections of the country, and removing prejudices, that the central association cannot be superseded. For some years it went through severe trials and it was difficult to increase its membership in proportion to the increase in the whole number of banks, but with a proper adjustment and recognition of the rights of State associations, the conventions, and the expansion of the protective feature, these difficulties have been overcome.

During the past three years the membership has rapidly increased, and it is probable that the reports of the secretary at the convention of 1898 will show a higher membership than ever before. The day is not far distant when there will be very few banking institutions in the United States which will not recognize the importance of belonging to the association. Its power to benefit the banking community will increase with the positive and aggressive policy it is now pursuing. Through experience of the benefits of co-operation, the bankers will lose that fear of exciting political attention that for many years made it the prevailing sentiment in the conventions to refrain from making the most necessary demands on Congress. Nothing, however, is ever gained by such timorous counsels, and the action of the association during the last four years has shown a judicious courage in setting forth the needs of the banking community.

There is undoubtedly a better time in sight for banking institutions. Although Congress has adjourned without action on the currency bill, yet the agitation of the subject and the time devoted to its careful examination have not been lost. War, with its increased expenses, is sure to increase the value to the country of its financial institutions, and to bring about the conviction that to enable them to more fully benefit the nation they must be given greater privileges in issuing bank notes. It is probable that the Denver convention will be emphatically in favor of sound financial plans, and that it will plainly set forth all grievances that should be removed by legislation.

When the time for the annual convention arrives there are always plenty of suggestions how its usefulness may be increased as well as criticisms of its management. This, of course, has its advantages and shows that whatever the attitude of mind towards the association on the part of banks and bankers, it is not one of indifference. But in a body, which from the nature of the case can only be used for general purposes, and which has no authority of a legal or binding nature, it is difficult to carry into immediate effect any specific suggestion or plan, however meritorious it may be intrinsically. It took years to educate the association up to the point where it made its protective feature at all effectual.

The suggestion that the education of aspirants in the banking business shall be taken up has also been for many years before the organization. This educational idea is copied from the system of examinations and prizes adopted some years since by the English Institute of Bankers. The Institute is more fitted for such a system than is the American Bankers' Association, because for one thing its membership lies in a much smaller territory. Then, too, its membership is made up of chartered banks with branches, where the selection of fit managers becomes exceedingly onerous on the heads of the parent bank. A system of examinations and certificates of fitness conferred by the Institute is a relief to them from the crowd of those soliciting patronage, in the same manner as the civil service examination system relieves the heads of the Government.

Banks in the United States seldom have more than one office, where all employees are directly under the eye of the managing officers, and the patronage to be distributed is seldom so great as to burden them, nor is the demand for employees so great that it can not be readily supplied. Still there is no doubt, as the banking business of the country grows, that a system of examinations and certificates of fitness will in time increase the usefulness of the association.

There is also no doubt, if the executive council shall appoint a number of sub-committees to consider subjects presented to it and see whether they can be made practicable, that it will increase by degrees the interest taken in the association. In appointing such committees the distance which will have to be overcome in holding meetings of these committees, where conclusions can not be reached by correspondence, will have to be considered.

But the fact still remains that the great function of the association in the future, as in the past, will consist in securing a closer acquaintance between bankers in all sections of the country, in inculcating ideas in common, and uniting and consolidating thought. This work is as yet far from complete, although great advances have been made in this direction since the organization of the association in 1875-76.

THE SPANISH WAR still continues, and although at this writing there are rumors of peace there is nothing as yet definitely announced in this direction. As was suggested in the July number, the war does not appear to be costing Spain any more now than she was expending prior to its declaration. The cutting off of her navy will absolutely prevent the sending of reinforcements or supplies to either Manila or the West Indies, even if there were any prospect of getting such assistance through the blockade before. The Spanish forces in the Philippines and Cuba seem now to be in a condition in which there can be no hope of any assistance from the mother country. They must either surrender or eventually starve, unless they can by miracles of valor work out their own salvation.

But the removal of the strain financially from Spain will not incline her to make peace. The amputation of her colonies may mean life and renewed strength to Spain herself. In the last number of the MAGAZINE it was remarked, "that the condition of the money market is usually a pretty good criterion of how war is affecting a country, and judged by this Spain is not yet suffering very much or exercising herself unduly at home." After that was sent to press, a dispatch from Paris confirmed this opinion, by stating that financiers there evidently believed that Spain was spending less money than before the declaration of war. Undoubtedly the determination of the United States to send a squadron to threaten the coasts of Spain will alter this condition somewhat, but not perhaps as much as may be imagined, as the defence of these towns where made will come largely from the local communities involved and not so much from the Government at Madrid.

In fact the whole attitude of the Spanish ministry is at present one of passivity. Its attention seems to be directed to retaining its own power and that of the dynasty which it serves, and it can not be denied that in accomplishing this object SAGASTA appears to be exhibiting great ability, although exposing himself to the sneer of having his policy characterized as one of "masterly inactivity."

It is a foreign war both for Spain and the United States, and in neither case has it at all strained the real vitality of their resources. Spain, although deprived of her colonies and shut up at home, is no doubt stronger than ever at home, inasmuch as the colonies, under her imperfect administration, have for years been a drain rather than an assistance. The United States too has grown stronger, through the development of resources heretofore latent. The comparatively small call upon her resources, and the effect already produced by her efforts, have only made the nation conscious of its own possible strength, and this naturally does not incline public opinion to making peace, however much the more thoughtful portion of the community may desire it.

The real effort in this war so far made or projected is not much greater proportionately to the population and resources than was the effort made during the war with Mexico in 1846–47. In 1846 the population of the United States was about twenty-one millions, or little more than that of Spain at the present day. The net revenue of the Government in that year and also in 1847 was about thirty millions. The normal expenditures of that period were between twenty-two and twenty-three millions. The additional expenses entailed by the Mexican War amounted in 1846 to about five millions, and in 1847 to about thirty-five millions. The per capita of total expenditure during 1845, before the war, was $1.15. It was increased in 1846 to $1.35, and in 1847 to $2.71. In 1848 it sunk to $2.08.

The population of the United States at the present time may be estimated at least at eighty millions; the normal net revenue at present is about 400 millions, and the expenditures about the same. If the expenditures are doubled on account of the Spanish war, this will not be so great a proportion of increase as that which took place during the Mexican War, from a normal expenditure of twenty-three millions in 1845 to one of fifty-seven millions in 1847, and forty-eight millions in 1848. The per capita expenditure of the year 1847 was $2.71. If the expenditure of the Spanish war period should be 800 millions per annum, this would be a per capita of $10. But for some years the normal Government expenditure has been between five and six dollars per capita, so that the estimated increase on account of the Spanish war will not double the strain on the population as the expenses of the Mexican War did on the population of that period.

While the population to-day is four times as great as it was at the commencement of the Mexican War, the wealth and resources of the country may be estimated to be at least ten times as great as they were in 1846. The per capita valuation of property in the United States by the census of 1850 was about $300. The percentage of the per capita expenditures of about $2 at that period was two-thirds of one per cent. of the property valuation, while a per capita expenditure of ten dollars to-day would only be about one-third of one per cent. of the estimated property valuation.

To show the difference between this burden and that borne during the Civil War it is only necessary to remember that the per capita expenditure in 1864 was $37.34, and that this was nearly seven per cent. of the per capita valuation of property at that time.

The strain of this war on the United States being so comparatively light financially, there is no reason why the general business of the country should be seriously affected by its continuance, especially as the enemy is so inactive that there is no probability of any serious attack on our commerce or coast cities. But the very lightness of the burden may cause extravagant ideas as to terms of peace, and may lead to other entanglements that may make it difficult to terminate the struggle. Spain no doubt considers herself to be in just as good a condition to resist as the United States is to attack, believing that apart from her colonies she is comparatively inaccessible to attack. The prognostics as to the length of the war are therefore involved in doubt, though the pending negotiations looking toward peace may speedily end the conflict. The anxiety of the Administration to hasten the Porto Rico expedition, seems to indicate a wish to have a little more Spanish territory in hand before commencing negotiations.

THE RECEIPTS OF THE GOVERNMENT for the fiscal year ending June 30, 1898, including $64,751,224 payments made by the Pacific Railway companies, were $404,511,081, and the expenditures for the same period were $443,375,387, the excess of the expenditures for the year being $38,864,306. As compared with the receipts of the fiscal year 1897, the revenue apart from the amount received from the railways was about seven millions less in 1898. This is accounted for by the falling off in the customs revenues, which were over twenty-six millions less during the last fiscal year than during the previous one. The internal revenue receipts of 1898 were twenty-three millions in excess of those of 1897, although the effect of the war tax could have been felt but slightly, if at all, during the last month of the year. The receipts for the first two weeks in July show the effects of the war tax in the internal revenue receipts, and even the customs begin to show improvement.

It seems highly probable that the notable increase in the volume of business so marked throughout the country is the beginning of the prosperity so long promised, and which has been detained in the background by one distracting event after another during the past four or five years.

While the export trade of the country has been unprecedented in amount during the last two years, imports have hardly held their own. The forced economy which has prevailed as the consequence of the financial crisis of 1893 has offered but slight inducements to importers. It is certain that the large amounts of money which have come to the country in payment of balances must sooner or later stimulate larger demands for imported goods. The increase in customs so far shown at this unfavorable mid-summer period is an indication that this tendency is beginning to manifest itself. The new tariff has been much criticized because it did not produce enough to overcome the deficit and accomplish the purpose for which it was enacted. Its supporters have, however, always claimed that when the conditions of trade became normal the customs revenues would put a stop to the monthly excess of expenditures which has exercised the minds of Congress. In matters of this kind it is exceedingly difficult to determine just what duties should be laid to meet any given demand in a country where the tendency to growth is so strong as in the United States. It is perhaps better to make them so that at first they appear to be too small, because, except in periods of the most continuous business depression, they are apt sooner or later to produce an excess and encourage extravagance. There is every reason to believe that since the apprehensions of danger from the Spanish navy have been removed, and since it is realized how impotent Spain is to undertake any aggressive movement, that all kinds of business will continue to make great advances. The revival of business of the year 1879 after the resumption of specie payments did not begin until mid-summer.

While a foreign war is not a thing to be rashly sought by any country, yet it is plain that the large Government expenditures consequent on this one will greatly stimulate many branches of business. On the other hand it will not impose so great a strain on other kinds of business that have no connection with supplies for the army and navy. There is every reason to anticipate, therefore, that the fall trade will fully meet the expectations of those who have been looking so long for the return of better times.

THE POPULAR WAR LOAN of $200,000,000 three per cent. bonds was subscribed for to the extent of over one billion dollars. There were about 300,000 individual subscriptions received and more than

$100,000,000 will be allotted to subscribers of $500 or less. The subscriptions over $500 were taken up in order from the less to the greater, and the remainder of the loan will be exhausted in allotting subscriptions under $5,000. This in substance is the result of this loan as known at the present writing, and it will probably not be changed much. The new bonds already command a considerable premium in the market.

While this method of placing the loan has in effect given a bonus to small subscribers, there may be results from it which will be worth the money in the advantage which may be gained in placing future new loans and in future refunding operations. It still remains to be seen whether in placing a new loan in what is styled the popular fashion, small subscribers could not receive due consideration and the Government receive at least a greater approximation to the full value of the bonds which it places on the market. Thus assuming that a three per cent. bond of the kind authorized by the revenue bill is worth a premium, why could not the loan have been offered to the highest bidder, still giving a chance in the allotment to small individual subscribers. This could be done by dividing the loan into portions. Say fifty millions to bidders of $500, and under, fifty millions to bidders of $1,000, and over $500, fifty millions to bidders of $5,000 and over $1,000, and fifty millions to bidders over $5,000.

The result of this loan has shown that there were enough bids of $500 and under to take $100,000,000. The competition of such an overbidding, were it previously understood that $50,000,000 only would be allotted in this class, would most probably have secured a respectable premium on the whole $50,000,000. It would probably have been the same in all the other classes. It is possible that the premium realized would have varied in the different classes, but the advantage would most probably still have been with the small bidders. The Government would have in the aggregate obtained much nearer the true value of its bonds. As it is, although this is called a popular loan, in reality if the people of the country were fully informed it should be a very unpopular loan. Some two or three hundred thousand people out of 80,000,000 have received a direct gift from the Government out of the Treasury, and to make this gift the whole 80,000,000 were taxed. By the time the remainder of the loan is put on the market, the real value of three per cent. bonds will have been fixed, and the Treasury would be able to realize the market price were it not for the proviso in the law requiring the loan to be offered at par.

That it was deemed best to place the four hundred million loan upon this so-called popular plan indicates how badly informed the American people are upon financial subjects. It was done in this way to please the people, and yet if they understood great monetary transactions as well as they do other things it is difficult to see how they should be pleased. If, for instance, in buying its supplies for the army and navy, the Government should show preference for those who offered the supplies in small parcels—or, in other words, the retail dealers—every one would at once exclaim against such fatuity. When the Government wants supplies other than money it at once goes into the wholesale market and takes them at the lowest price offered. So does every State or municipality, and so does every individual in private business. There is no reason why the same course should not be pursued when money is wanted.

But this experiment will not be without good results. The American people are prone to reflection. This habit will in time sift out the true inwardness of the so-called popular loan. The glamour which now seems to blind the eyes of the public in regard to it will be removed, and the disadvantages of paying an unnecessary bonus to a few of the people at the expense of the majority will be revealed to all eyes. Nor is the Administration to be blamed for adopting this course in the present state of public financial knowledge. It was very necessary in the existing circumstances to insure the success of the loan at all hazards and to conciliate the elements which might have worked against its success. But now that the American people can see what they have had to pay for wrong views on monetary questions it is not probable that a popular loan in this form will be repeated.

THE WAR REVENUE BILL was expected to produce about $100,000,000 per annum. The returns for the first part of July have, however, proved to be in the neighborhood of a million of dollars a day, or at the rate of over three hundred millions of dollars per annum. This excessive revenue at the very commencement may for many reasons be held to be exceptional, but the the truth is that both the framers of the bill and the Treasury experts had no reliable data upon which to estimate a very large proportion of the new taxes. A period of fifteen or twenty years has elapsed since the internal revenue taxes of the Civil War, with the exception of those on spirits, beer and tobacco, were removed. During that period the population of the country has increased from fifty to nearly eighty millions, and wealth has increased in even a greater ratio. The revenues of the stamp taxes of the Civil War period therefore form no criterion for estimating the amount to be derived from similar taxes today.

It seems, therefore, fair to hold that the receipts with which the month of July has opened are not so exceptional as is argued by some. To take one item, for instance, the two-cent bank check tax.

It is indisputable from an examination of the banking statistics, especially the increase in the clearing-house exchanges, that the use of bank checks has greatly increased in the past twenty years.

According to the report of the Comptroller of the Currency for 1897, the exchanges of all the clearing-houses in the United States for that year amounted to ($54,030,253,695) over fifty-four billions of dollars; of this sum over thirty-one billions of dollars ($31,337,760,-948) represent the exchanges at the New York Clearing-House. In 1885, from the report of the same officer, the clearings of all the clearing-houses for the year amounted to $37,770,110,819, or nearly thirty-eight billions of dollars, of which over twenty-five billions belonged to the New York Clearing-House.

In 1885 there were twenty-nine places in the United States in which clearing-houses were operated. In 1897 these institutions existed in seventy-six places, indicating how a greater use of checks has extended to all parts of the United States.

There is only a difference of twelve years between these two dates. Going back twenty years to 1877, the clearings of the clearing-house in New York city for the year were over twenty-seven billions. ($27,804,539,406). For this year the data for other clearing-houses in the country are not at hand, but the number of such clearing-houses was then comparatively few, being confined to the cities of the first rank. Of course these comparisons cannot be depended on to show more than the general fact that the business of the country has shown a steady increase, and that the use of checks in all sections of the country has more than kept pace with the increase of business.

Clearings always run up in times of prosperity and diminish in times of depression. There were dates between 1877 and 1897—notably from 1880 to 1884 inclusive—when the annual clearings exceeded those of 1897. But between 1877 and 1897 the comparison is not unfair, because the years are equidistant from the panic years of 1873 and 1893. The year 1885 shows also the effect of the financial crisis of 1884.

In order to make a comparison between the approximate revenue from the tax on checks in 1877, and the same revenue at the present time, the clearings in these years in New York city may be taken as a basis. The clearings of checks in New York city amount to about two-thirds of those in the whole country. But, of course, the checks that appear in the New York clearings do not comprise all the checks drawn, and probably do not represent more than one-half of the whole number used both in and out of clearing-houses.

The clearings of the New York city banks in 1877 were, as stated, over twenty-eight billions of dollars. Estimating the average denomination of the checks drawn to be $500, the total clearings for

1877 would represent 56,000,000 separate checks. If each one of these paid the two-cent stamp tax the revenue derived would be $1,120,000, and if an equal amount of checks were drawn which never reached the clearing-houses, the entire revenue in 1877 would have been about $2,240,000. The actual value of two-cent bank check stamps issued in the fiscal year 1880–1881 was $2,366,081, so that for the purpose of learning what the same tax may produce now in excess of what it produced in 1877, the result arrived at may be accepted as sufficiently accurate.

In 1897 the clearings of the New York city banks were $31,337,-760,948. Assuming these to represent one-half of the checks drawn in the whole United States, the total amount of checks would have been in 1897 about sixty-three billions of dollars, and at an average of $500 for each check this sum would represent 126 millions of separate checks. If each pays the tax, the value of the stamps required would be $2,520,000, an increase in this item alone, one of the smallest of the taxes imposed on banks, of $280,000, or over ten per cent.

It is highly probable from the great increase in the use of country checks, which seem to cause so much complaint in the clearing-houses, that the use of checks in all lines of business, large and small, is much greater than formerly, and that the proportion of small checks is greater than it was twenty years ago; and, therefore, as each check has to pay the tax regardless of denomination, the proceeds of this tax alone will be more than would appear by the calculation and comparison made.

Other taxes laid by the War Revenue Bill will probably show a greater proportionate increase over those collected under the stamp and license taxes of the Civil War, as the business taxed has increased in a greater ratio than the use of checks has increased.

There is then no reason to be surprised if the capacity of the country for producing revenue under any given form of taxation has been underestimated, and that the actual revenues exceed the estimated ones. If this belief proves to be correct or even approximately correct, the credit of the Government in the money markets of the world will assuredly be strengthened when the revenue shows the increased tax-paying power of the business of the country. This will manifest itself by the rise in value of all United States securities, and a tendency in this direction has already manifested itself.

THE EXTENSION OF AMERICAN TERRITORY will give new scope for banking and other business enterprises. Immediately after the annexation of Hawaii, a National bank was organized to be located in that island. This indicates the enterprise and activity of American capital reaching out to seize every new opportunity. It shows also the eagerness with which capital from the United States will be poured out to develop any new territory that may be acquired as the result of the war with Spain, and is a straw which may serve as an indication of what will be the popular sense in regard to the United States entering upon a wider foreign policy.

The adventurous instinct is very strong in the people of this nation. It is both hereditary and improved and increased by cultivation. The first settlers of this part of the Western Continent were the most self-reliant and daring of the populations from which they emigrated. The life of toil and danger that was necessitated by a pioneer life in a new world enhanced these qualities and in the subjugation of the broad belt of territory reaching from ocean to ocean, which now forms the United States, these qualities have had continual exercise. They manifest themselves in every phase of American life to-day. Even the later emigrants from Europe, who have done so much to swell the population to its present extent, had more or less of the same spirit.

As a rule there must be a greater degree of intrepidity required in those who seek a fortune in a foreign and unknown land than in those who are content to endure hard and monotonous conditions at home.

It has been customary to consider the opportunities for enterprise within our own borders as inexhaustible, and that for this reason there was no necessity for acquiring more territory. But the great development of the last thirty-five years has without doubt reduced the chances for the rapid acquirement of fortune by individual effort, which were abundant at the beginning of that period. The great West has for many years been the eldorado of adventurous spirits.

It can not be denied that chances of acquiring wealth by lucky pre-emptions and discoveries within the bounds of the United States have very greatly diminished, while the class of citizens who by inheritance and training depend upon these chances is as large as ever. The hunger for new land and for new mines, and fresh and undeveloped natural resources, is greater than ever, but the means of satisfying this hunger are much diminished. Of course the opportunities for acquiring wealth by steady industry and conduct grow greater as all lines of occupation grow more settled, but these opportunities are not tempting to the large portion of the population who look to some lucky hit for success in life.

It is the existence of this spirit of adventure, and the existence of so large a number of people who are imbued with it, that will render it difficult for the United States to change its policy after once commencing to acquire and hold foreign territory. Whatever may be thought of the real advantage or disadvantage of entering on this new policy, it is not difficult to foresee that it will be popular and that it has come to stay.

The dangers of extending our territory to distant parts, and of absorbing semi-barbarous populations, both in a physical and a moral sense, are no doubt great. They involve demoralization to the dominant race, and more or less injustice and even cruelty to the inferior peoples. The history of the American pioneer in contact with the Indians shows what will happen when the tide of American adventure seeks to develop the resources of the annexed domain wherever it may be. But it is also true that in the long run the civilization of the countries taken under our flag will be improved, and that the forces which make for better government will be strengthened.

The influences which will lead to these changes in the policy of the United States are beyond control. They are derived from the instinct of a growing population that, accustomed to large elbow room, is beginning to apprehend that it will become too crowded. Every opening or outlet, whether through conquest or peaceful annexation of outside territory, will always receive popular support.

NATIONAL BANK CIRCULATION may be expected to increase somewhat as a result of the new bond issue. In the report to accompany the currency reform bill prepared by the Banking and Currency Committee of the House, there appeared some significant figures in regard to National bank circulation. The table giving this information will be found on page 113 of the July number of the MAGAZINE. It is shown that 132 banks in the East, having a permissible issue of $15,700,000 of notes, actually issue $10,000,000 ; while 264 banks in the West with a permissible issue of $22,900,000 actually issue but $5,500,000; and in the South 102 banks with a permissible issue of $9,700,000 actually issue but $2,500,000.

This confirms what we have previously demonstrated—that under the present system of issuing National bank circulation the profits are least where the rates of interest are highest. This condition of things makes it practically impossible for the banks to render any relief to those parts of the country where high rates of interest prevail.

The reason why the National banks fail to provide circulating notes is because there is no profit in their issue, the Actuary of the Treasury reporting that the profit to be made on circulation in 1897 was only the following fractional parts of one per cent. on the several classes of bonds; viz., fours of 1907, .455; fours of 1925, .246; fives of 1904, .301. It can hardly be expected that a profit of less than one-half of one per cent. would be an incentive to a bank to issue its notes.

When the people of the South and West fully realize how the banks are hampered by existing laws, they will demand their modification. The indications are that the time is not far away.

THE RESOURCES OF COLORADO are exhibited very strikingly in this number of the MAGAZINE. Though it can hardly be expected that these mountainous States can rival some of the others in the matter of general agricultural products, it will be seen, from what this particular State has done, that the possibilities in this direction, with the aid of irrigation, are very great. Stock-growing and fruit-raising are also leading industries of the State.

But it is in the richness and variety of its mineral resources that Colorado is especially fortunate. It is now one of the foremost gold-producers of the Union, and the output of silver, lead, iron, coal and other riches of the earth constitutes a sound basis for future prosperity. The variety and salubrity of the climate and the grandeur of the natural scenery also enhance the attractiveness of this favored State. Its people are noted for restless energy and for an indomitable pluck, which recognizes no difficulties that can not be overcome.

To wrest wealth from the bowels of the earth, and to make agriculture a success despite an insufficient rainfall, are achievements requiring an optimistic faith and a degree of persevering industry to be found only among men of the sturdiest type. It is of such stuff that the pioneers of Colorado were made, and how diligently and with what effect they have labored may be seen from the record of the State's progress which we present.

Having passed the earlier stages of its development, the State is now entering upon an epoch in its history which will probably be marked by somewhat slower growth, but upon a sure basis—the varied resources which exist in such abundance.

Perhaps no better opportunities for profitable investment can be found anywhere in the United States than the State of Colorado affords. The output of many of her mines has become so great as to remove them from the speculative category, while the flocks and farms are sources of illimitable wealth.

With abundant coal, and with iron and other ores, Colorado should become the Pennsylvania of the West. Nowhere do the raw materials necessary to industrial and commercial greatness exist in greater variety or abundance; the healthfulness of the climate and the invigorating air lend a zest to life unknown to those who live along the coasts. No people are more alive to their opportunities, as is evidenced by the material and moral progress made in the twenty-two years since Colorado became a member of the Federal Union.

COMMERCIAL CREDIT RATINGS.

The proposition to have the American Bankers' Association devote some attention to the credit rating of customers, and by the mutual co-operation of its members in demanding detailed statements from borrowers, collect and communicate information in regard to credit which may much lessen the losses of banks, is no doubt a very good one theoretically considered.

The banks to-day annually pay large sums to commercial agencies which make a business of obtaining data upon which to base the credit rating of the business community. Much capital has been invested in this kind of enterprise by the various commercial agencies. The information they furnish is generally to be relied upon, and yet from the nature of the case it can not be so accurate as to preclude all losses to the banks which accept it as a basis for judging of the value of commercial paper. These commercial agencies are private concerns, and they have no authority to elicit statements from the firms or persons of whose credit they desire to give a rating. They have of course free access to all the public records giving the ownership of property, and they employ experts to make inquiries into the standing of business men. When called upon they will make special examinations for customers. No doubt these agencies, by years of experience, when it is possible to obtain information, know how to obtain possession of it better than any one else possibly could. It is hardly possible that by any kind of co-operation the banks could obtain from their customers any better data upon which to found credit ratings than that which is constantly collected by the commercial agencies. It is not probable that if the banks should succeed in inaugurating a system of credit rating for the business community based on information mutually collected by themselves, that they would find it any cheaper or more accurate than that for which they now pay the private commercial agencies.

There is of necessity a spirit of competition among the banks which will for many years make it impossible for them to rely to any great extent on each other in this respect. When a bank asks a statement of a customer, it has no authority to compel compliance with the demand, or to enforce an accurate statement. The business man or firm from whom the statement is demanded cannot be punished in any way for making a misleading statement except by a prosecution for false pretences, and this is an extremely difficult thing to prove. The business firm that makes a statement may, in the large majority of cases, give a full and accurate account of its affairs, but on the other hand there will be a minority who will make any statement required to attain the object in view.

The margin of inaccuracy in the case of credit ratings based on data obtained through the mutual co-operation of the banks would, it is believed, be greater than in the case of the credit ratings now furnished by commercial agencies. The proposition to have these ratings obtained through the American Bankers' Association, would, it is thought, have a tendency to make the association liable for losses which might occur through errors and mistakes, as the commercial agencies are liable. Each member of the association would have to contribute to meet this liability. Moreover, the work of compiling and collating and disseminating by publication the mutually contributed information would cost the association as much and probably more than it costs the commercial agencies to do the same thing. This is the one specialty of the agencies, while the American Bankers' Association has a multitude of other functions.

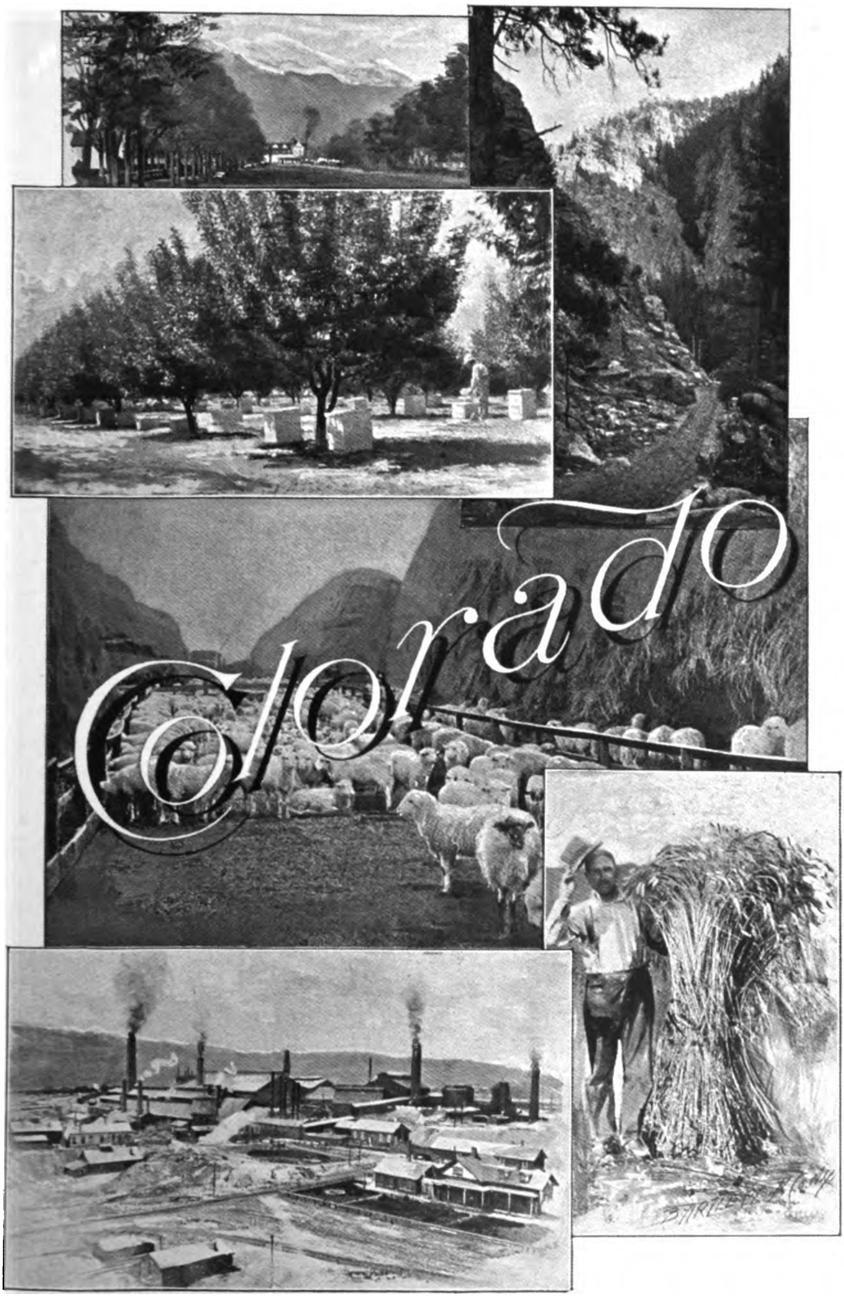
If this plan of obtaining commercial ratings by the banks by mutual co-operation through the association were put in practice, it would need a special bureau to carry it on. Then if the policy of the banks using the association for aiding them in the numerous matters from which they derive profit or save expense were adopted, the clerical force of the association could easily be expanded until it rivalled that of the United States Treasury Department.

Taking the propositions already broached, there is the protective department now in operation, this credit rating would be another department, the educational department another, the issuing of bonds to guarantee officials another, and in fact there would be no end to the departments, which might be of utility to banks, in which the association could exercise its powers. In these matters the association would come into competition with business of the same nature, conducted by private enterprise. Just as the custom of soliciting advertisements for the publications of the association was wisely abandoned because it excited the opposition of private bank publications, so these fields of industry invaded by the association would stir up against it a larger number of opponents.

The banks' desire for credit ratings is, moreover, not confined to those of the business world outside of the banks. They desire to have full information as to the standing of each other. It is rather too much to expect that the members of the association would care to furnish information about themselves, such as is given in the bankers' reference books which are intended to give private and confidential data.

The true work of the association is not to go into these various lines of business itself, but to exercise for the benefit of its members a supervision of the various kinds of business collateral to and deriving their support from the banking community. It would be within the province of the association to make an examination of the cost to the banks of the information they obtain from the commercial agencies to see whether this service might not be improved or more cheaply maintained. It is reasonable to suppose that the association dealing for its members might render the cost less to each one. The same attitude might be taken towards guaranty companies and publications that support themselves on bank advertisements. There is no doubt that the field of usefulness of the association might be enlarged if a majority of the members desire this course to be taken.

In seeking to extend what is sometimes termed the practical work of the association, it should be borne in mind that whatever in any way tends to more surely establish the finances of the country on a sound basis, or to elevate the banking profession generally, though not productive of results so readily apparent to the individual membership, is none the less of the greatest consequence to every bank in the country.



1. STREET VIEW, PIKE'S PEAK IN DISTANCE.
2. BOULDER CAÑON.
3. ORCHARD AND APIARY.
4. STOCK RAISING.
5. AGRICULTURE.
6 SMELTER.

COLORADO.

RESOURCES AND ATTRACTIONS OF THE STATE.

GENERAL DESCRIPTION — CLIMATE — SCENERY—MINING—STOCK RAISING AGRICULTURE— FRUIT GROWING — BANKING — DENVER—COLORADO SPRINGS AND CRIPPLE CREEK.

"Pike's Peak or Bust" was once a familiar legend on the "prairie schooners" making their way across the great western plains to search for the hidden treasures buried in the fastnesses of the Rockies. This may have

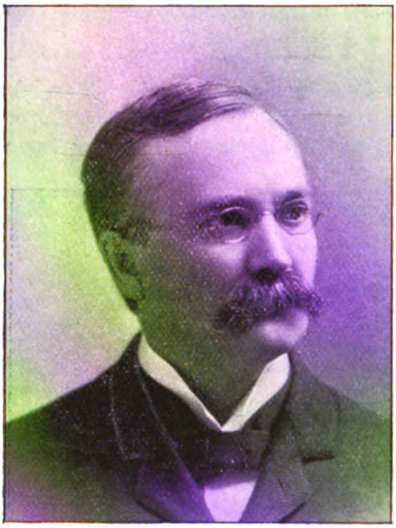
COLORADO STATE CAPITOL, DENVER.

lacked some of the sonorous eloquence of the mottoes inscribed on the banners of those who have gone forth to conquer new lands amid the din and glory of battle, but in homely fashion it expressed the grim resolution of the pioneers of the West—the builders of States—who have carved out an empire beyond the Mississippi.

A study of the wonderful material resources of the Centennial State, as they exist to-day, will show that these adventurous spirits who thus boldly proclaimed their determination, reached the goal and escaped the calamitous alternative.

In writing of Colorado it is difficult to avoid seeming exaggeration. The grandeur and sublimity of the scenery kindle enthusiasm in the coldest minds. Natural beauty in its loftiest manifestations exists in such endless variety and such entrancing forms as to enchant and bewilder the beholder. These scenes can not be described by the pen or portrayed by the artist. The prodigal hand of Nature has created that which the limitations of art can not reproduce.

Fortunately, it is unnecessary, so far as the bankers are concerned, to attempt any description of the charms of this great mountain resort. They are soon to have the opportunity of seeing for themselves.



ALVA ADAMS,
Governor of Colorado.

But great as are the scenic attractions of this favored State, they are but one of the many elements of its greatness. Its material resources, though but partially developed, have already reached a point that establishes the future of the State beyond question. In one year Colorado produced gold, silver, copper and lead valued at nearly $36,000,000, while the total product of these metals since the State was settled amounts to almost $600,000,000. When to this is added the value of the farm products, the fruits and the live stock, together with the manufacturing output, it will be seen that there is a good foundation on which to build a great American Commonwealth.

The legitimate industries of Colorado offer an inviting field for the investment of capital, for great as her progress has been, the natural resources of the State are far from being fully developed. With the return of prosperous times throughout the country, Colorado will receive its full share of money seeking investment, and even the past rate of progress and development may be exceeded. The laws of the State are drawn and administered in a way calculated to conserve all legitimate property interests.

But it is not alone in material things that rapid strides have been made. Educational, benevolent, religious, scientific and literary institutions are as numerous and conducted on as liberal a scale as in any other State of equal population. The architecture of many of the public and private buildings, especially in Denver and Colorado Springs, will compare favorably with that of much larger cities in the East.

The beauty of the scenery, the delightfulness of the climate, and the extent and variety of the natural resources, combined with all the other advantages that contribute to the betterment of mankind, make Colorado a desirable place to go either for recreation, for residence, or with a view to making investigations in regard to investments.

The varied and manifold resources of the State, and the possibilities for great wealth through the intelligent development of those resources by the judicious investment of capital, are little comprehended by many of those who control the investment capital of the country. For the purpose of disseminating information that will be useful to investors and to the people of Colorado, the following facts in regard to the resources of the State are given.

Every banker who can do so should take advantage of the opportunity offered by the convention of the American Bankers' Association to be held in Denver, August 23, 24 and 25, and visit one of the most interesting States in the Union, and learn from actual observation of the possibilities for investing capital profitably. It is believed that the intending visitor will find that the subjoined facts in relation to the State will aid in directing attention to some of the more salient points about which information is desirable.

An outline of the leading industries of the State of Colorado, together with some facts relating to the cities of Denver, Colorado Springs and Cripple Creek, will be found in the following pages:

I.

GEOGRAPHY AND PHYSICAL CHARACTERISTICS.

Colorado lies west of Kansas and Nebraska, east of Utah, north of New Mexico and south of Wyoming and a part of Nebraska. It has an area of 103,925 square miles—equal to the New England States with Ohio added. The average length of the State from east to west is 380 miles and the breadth north and south 280 miles.

The great plains, stretching from the Missouri west, rise gradually in the eastern third of the State to an elevation of 5,000 feet at the foothills. The great range of Rocky Mountains, rising 9,000 feet above the general plateau, is broken up within the borders of Colorado by parallel and cross ranges into a superb entanglement of mountain and valley. Behind the front range four great parks, the fertile level beds of former seas, stretch across the State from north to south at an elevation of from 7,000 to 9,000 feet.

Here is the Great Divide—the crest of the continent; the parting of the waters. From the nothern and eastern mountain slopes flow the forks of the Platte, which meet in Nebraska and join the Missouri at Omaha. From the eastern slopes, also from the very heart of the mountains, go the streams which make the Arkansas, and cross Kansas, Indian Territory and Arkansas to the Mississippi. From the southern slopes, and out of the great San Luis Valley, comes the Rio Grande, which runs south through the center of New Mexico and along the border line of Southern Texas to the great Gulf. From the midst of the southwestern and western and northwestern mountains, intertwining their headwaters with those of the Platte and the Arkansas, come the Dolores, the Grand and the Green rivers, which unite in the Colorado and flow on through Arizona and along the border line of Nevada and California to the Gulf of California.

Mountain ranges, spurs, divides, plateaus and mesas make up the vast network of Colorado's mountains. The eastern plains at the foot-hills are 5,000 feet above above the sea. The whole country from the front range westward is lifted above this by 2,000 feet more, and is cut here and there by the deep valleys of the greater streams. Out of this immense plateau, 7,000 feet in elevation, rises a vast tangle of mountain peaks and chains and table lands. Among them lie the great parks North, Middle and South, running in a chain across the center of the State north and south.

MOUNTAIN RANGES AND PEAKS.

SAGUACHE RANGE.—Begins in Eagle county and runs parallel with the Park Range, the Arkansas River flowing between them in the southern region. It traverses Lake and Chaffee counties and ends in the Cochetopa Hills, the central part of the Continental Divide.

ELK MOUNTAINS OR ASPEN GROUP.—This range is a great semi-circle of mountains in Pitkin county, with Aspen in the center and with spurs running into the adjoining county of Gunnison.

SANGRE-DE-CRISTO RANGE.—It unites at its northern point with the Arkansas Hills, which run east and west, and with the Cochetopa Hills, which run from the southwest to the northeast, and which form a part of the Continental Divide. There are many unnamed peaks above 13,000 in this range.

CULEHA RANGE.—Is a continuation of the Sangre-de-Cristo Range.

SAN JUAN MOUNTAINS.—This range is in the southern part of the Continental Divide. It has many lateral ranges, like buttresses, and its general course is from southeast to northwest, where it joins with the Uncompahgre Range and the Cochetopa Hills. It is very little known and contains many high unnamed mountains. It is spread over Saguache, Hinsdale (southern part), Archeluta, Rio Grande and Conejos counties.

NEEDLE MOUNTAINS.—A series of short ranges on the west side of the Great Divide, buttressing the San Juan Mountains. It contains many high isolated peaks named and unnamed.

OURAY MOUNTAINS.—A prolongation north of the San Miguel Range.

LA PLATA MOUNTAINS are a prolongation south of San Miguel Range.

UNCOMPAHGRE MOUTAINS.—This range is short and runs from west to east. It contains some very high mountains, usually at right angles to the chain.

Included in these ranges are one hundred and seventy-five peaks ranging from 10,000 to over 14,000 feet in height.

II.

BRIEF HISTORY OF THE STATE.

The territory now constituting the State of Colorado was acquired by the United States from three sources—the cession from Mexico by the Treaty of Guadalupe-Hidalgo in 1848, the Louisiana Purchase from France in 1803, and a cession of territory from Texas in 1850.

An expedition under Coronado is supposed to have entered the territory in 1541. Fifty years later a settlement was established at Chama, the San Luis Valley was explored, and in 1595 the existence of gold in that locality was reported.

In 1803 and 1806 Lewis and Clarke made an expedition to the Columbia River, and in the latter year Lieutenant Zebulon Montgomery Pike, with twenty-three soldiers, explored the country, discovering the mountain peak which now bears his name. Pike was born in New Jersey, January 5, 1779, and was killed at the taking of York, now Toronto, Canada, in 1812.

In 1832 Bent Brothers erected a stockade called Fort William, on the north branch of the Arkansas River.

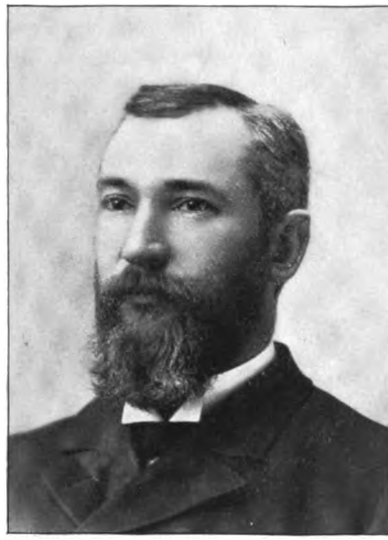
John C. Frémont made several expeditions to the territory from 1840 to 1845.

Other explorations and settlements followed, and on November 17, 1858, Denver was laid out and named in honor of Gen. J. W. Denver, ex-Governor of Kansas Territory. The first county election was held in 1859, the total vote polled being only 774.

On May 7, 1859, an important event occurred. This was the arrival of the first overland coach from Leavenworth, Kansas, bringing mail and express. The charge for carrying a letter was twenty-five cents. The distance of 687 miles was covered in ten days.

Silver was discovered in May 1859. The total value of the metal produced to date is $312,792.267.

The first territorial election took place on October 24, 1859, and R. W. Steele was chosen Governor. In November following the first Legislature met, one of its acts being the granting of a city charter to Denver. The first city election took place on December 19, 1859. The following year the first census of Denver was taken and the population declared to be 4,000.



T. S. McMurray,
Mayor of Denver.

In 1860 a private bank was established in Denver.

On February 28, 1861, Congress recognized the territory and changed the name from Jefferson to Colorado. William Gilpin was made Governor.

Some idea of the high prices prevailing in Denver in 1865 may be gained from the following: flour was from $15 to $20 per hundred-weight; potatoes, $15 per bushel; beef, forty cents a pound. Fares from Atchison to Denver, $175; to Salt Lake, $350; to California, $500.

In 1865 Hon. N. P. Hill organized the Boston and Colorado Smelting Co., and erected a furnace near Central City, which was afterwards removed to Denver. It reduced refractory ores and made abandoned mines valuable.

Other important events in the history of the State were as follows:

First train entered Denver, 1870; track-laying on the D. & R. G. Railway begun, 1871; Leadville silver mines located, 1874; State constitution adopted, July 1, 1876; State admitted into the Union, August 1, 1876.

The later events in the history of the State are generally familiar to the readers of the Magazine, and need not be repeated. Necessarily only a bare outline of the history of the State can be given here. In subduing the wilderness and bringing the State up to its present high state of civilization, the early settlers had to contend against all the natural obstacles to be overcome in subduing any new country, and they were also subjected to repeated attack by the savage Indians, these depredations continuing in the vicinity of Denver up to the year 1868.

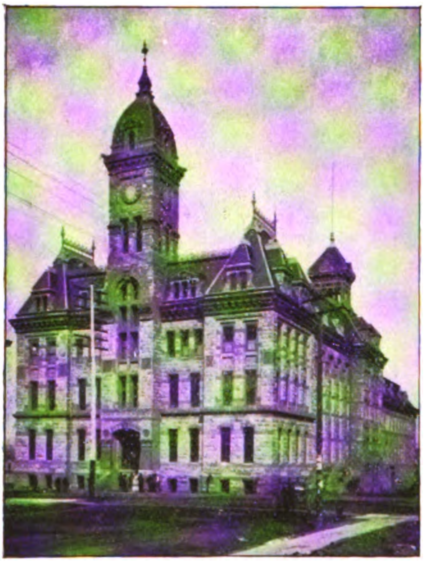
But they heroically overcame all difficulties, and out of a land once believed to be unfit for human habitation they built a State, brought to light its resources of mine, forest and farm, and within a period of forty years it has become the home of half a million of prosperous and progressive people.

III.

COLORADO AS A RESORT FOR HEALTH AND PLEASURE.

The Climate.

There are two characteristics of the climate of the State which are at once apparent to the visitor who resides in the Mississippi basin, the lake region, or along the Atlantic coast. These are the dryness and, purity of the atmosphere and the very large proportion of sunny days. It is stated that in Denver the sun was visible at some time in the twenty-four hours during every day for the thirteen years from 1872 to 1885, excepting only thirty-two days. In the great regions of the State which are the favorite resorts for invalids the sun shines about sixty-two hours of every hundred it is above the horizon. It is estimated that from December to March Colorado gets fifty-six per cent. of all possible sunshine while an eastern coast city gets but thirty-seven per cent.



Denver City Hall.

Colorado climate is, of course, as varied in many of its aspects as is the surface of the State itself. On the mountain peaks, 14,000 feet above the sea, is perpetual snow, with scant Alpine vegetation peeping forth at summer beside the drifts. In the lower valleys the climate is almost semi-tropical, and here delicious peaches, grapes and similar fruits are easily and profitably grown. Between these two extremes are found climates of all degrees of temperature. Places at the same altitude, moreover, in different parts of the State, varying as to the trend of the valleys in which they lie and as to their exposure to the winds, vary also, and widely, as to their temperature and their attractiveness as places of residence.

Three things common to all Colorado, however, must never be lost sight of—blue sky, sunshine and dry air. All over the State it is true that, save in the highest altitudes—say above 7,000 feet—on many days through midwinter, it is possible for one to sit in comfort in the sunshine in any sheltered nook. It is this almost perpetual sunshine which has perhaps more to do with the exhilarating effect of Colorado's climate on both well and sick than any other one thing.

The mean annual temperature of Denver is 50 degrees, and the mean annual temperature of all the most thickly populated part of the State, just east of the mountains, is from 45 to 50 degrees.

During the occasional days when extremes of heat and cold are reached but little discomfort is felt, owing to the dryness of the atmosphere. Colorado's atmosphere contains but forty-five per cent. of moisture, compared with seventy per cent. at New York.

There is no season of the year, and in fact but few days, when one can not be out of doors with comparative comfort.

The average annual fall of rain and melted snow is only about fifteen inches. During the winter the plains and foothills are quite free from snow, and what does fall quickly disappears. Fogs are unknown.

While the climate of Colorado is peculiarly adapted to the relief and cure of those suffering from diseases of the throat and lungs, it is also beneficial to other diseases.

To those who are in good health, and in search of pleasure only, the blue sky, the genial sun, the pure air, the snow-clad peaks, and all the varied charms of out-door life, combine to make this an ideal land for rest and recreation.

The Scenery.

There is but one way to get an adequate conception of the multiform scenic beauties of Colorado—to go there and see for oneself. When it is remembered that the mountains occupy sixty thousand square miles of territory, some idea may be gained of Nature's lavishness in providing a spectacle for the admiration and astonishment of man.

While the Alps have isolated peaks such as Mont Blanc (15,781 feet) and the

Loch Ivanhoe.

Matterhorn (14,836 feet), the mean elevation of the highest Alpine chain is only from 8,000 to 9,000 feet. Colorado possesses more than 120 peaks of over 13,500 feet altitude, of which no fewer than thirty-five peaks range from 14,000 feet upward. This is about ten times as many as there are in the whole of Europe.

A writer who recently visited the State for the first time says:

"Every mile of the journey has its especial attraction. A thousand objects of interest present themselves to view in rapid succession. A thousand novel impressions photograph themselves upon the mind, a thousand landscapes of wonderful and bewitching beauty beyond the power of pen or pencil, or brush or camera to depict, can be seen from the windows of the car. Colorado is a land of wonders, a land of surprises, a land of sharp and wonderful contrasts. Take Royal Gorge as a central point, and with a radius of two hundred miles describe a circle. Within the confines of that magic ring will be found more grand and wonderful scenery accessible by rail than within any similar circle swept anywhere on the surface of the world. Pilgrimages are made across the seas to behold the beauties of some one famed object. The Via Mala attracts one, Mont Blanc another, the

Colosseum a third, and the tourist, after all his great expenditure of time and money, comes away with one impression.

It ought to be the fashion for Americans to see something of their own country before they rush across the ocean to gaze at the wonders of the Old World. It is a good omen that many Americans appreciate this fact and are turning their attention to the unsurpassed scenery of their native land. The Via Mala is dwarfed into insignificance when compared with the Royal Gorge. The hundreds of peaks among the Rockies, reaching an altitude of over fourteen thousand feet, should compensate one for the solitary grandeur of Mont Blanc, while the ruins of the Cliff Dwellings tell of a race older than that which built the Colosseum.

The trip naturally begins at Denver, the great railroad center of Colorado, and a city of more than ordinary attractiveness.

For a hundred and twenty miles the railroad extending to the south follows the front range of the Rocky Mountains, which is in plain view on the right and to the west. After Denver has been left behind, the tourist can see from the car window the snow-covered pinnacles of Long's, James', Gray's and Pike's Peaks standing in a wilderness of lesser mountains. Pike's Peak needs but to be mentioned to command instant recognition, made easy of ascent by a cog railroad more remarkable than that of the Rigi Kulm. It affords views of wider sweep and greater variety than those of the famed peaks of Switzerland. History has made it famous, and this landmark, which was the goal of the adventurous prospectors of '59, is to-day the object of universal admiration. Around the peak cluster scenes of inspiring loveliness. The springs of Manitou are the center of a region of sylvan beauty, while the Garden of the Gods, renowned in song and story, is unsurpassed in splender and unique magnificence. Cheyenne Mountain, made known to the world by the poetic pen of H. H. and rendered sacred as her last resting place, contains canons of transcendent charm, but the great canon of the Rockies, the glory of which once beheld can never be forgotten, is the Royal Gorge. This stupendous chasm, in the riven heart of the front range, through which the rushing waters of the Arkansas River pour impetuously out upon the plains, defies description and yet demands it. Through frowning walls of granite, towering to a perpendicular altitude of nearly three thousand feet, the foaming waters race, broken into swirling rapids and dashed into lace-like spray by the giant boulders that impede their impetuous onset. This is but one, though perhaps the greatest, of the many canons of Colorado. The canon of the Rio Las Animas, the weird Toltec Gorge, the mine-pierced walls of Eagle River Canon, the wonderful Black Canon, and the glorious canon of the Grand River, each possesses attractions peculiar to itself.

The mountain passes present another and entirely different scenic attraction. The dark and tortuous canons penetrate the heart of the mountains, while the passes take one up the sharp inclines almost to their towering summits. From the top of one of these passes the view is wide-horizoned, embracing an expanse of hills, valleys and mountains that enchants and at the same time bewilders the vision. As has been said, variety is one of the striking characteristics of Colorado scenery. Canons, peaks and passes awe with their grandeur, but lakes, whose crystal mirrors reflect the hues of peaceful overarching skies, abound, hundreds of them unhonored and unsung, but others known to the lovers of the beautiful are enshrined in the annals of literature. Twin Lakes have a fame extending beyond the confines of their mountain environment, while Palmer Lake is known to thousands who have beheld its quiet beauty and marvelled at its wonderful situation on the crest of the Divide, sending its waters southward to the Arkansas and northward to the Platte.

Every mood of man finds here an answering mood in nature. The valleys smile with gentle contentment, the brooks laugh with jocund glee, the rivers rage with savage fury in their wild race through their rocky channels, the canons frown with somber gloom, the mountains gaze with majesty on their placid plains. Awe, terror, joy, sorrow, anger, peace, hope, fear, all find a voice and a mode of expression among the hills and mountains, the plains and valleys of Colorado. With such scenic attractions no wonder the tide of tourist travel sets strongly toward the West. Easy of access, with no wide ocean to cross, no extortionate rates for railroad fare or hotel accommodations, with scenery unequaled for variety, beauty and grandeur, surely the Rocky Mountains outrival the Alps, and Colorado stands superior to Switzerland."

Other Attractive Features.

Besides the delightful climate and the diversity of scenery the tourist will find many other attractions. The various resorts are rendered easily accessible by means of well-equipped railways, which make travel a pleasure. Lakes and streams afford the opportunities for boating and fishing. Game abounds, offering sport for the huntsman. There are numerous modern hotels, liberally conducted. Mineral springs of known curative properties are found in several parts of the State. The mining camps give an insight into one of the most interesting aspects of industrial life.

Added to all these, the tourist will find a hospitable and energetic people, who will give a genuine western welcome to all who may come to the State either to sojourn temporarily or to make a permanent home there.

IV.

MINING INDUSTRIES OF THE STATE.

In the report of the State Bureau of Mines for 1897 appears the following retrospect of mining in Colorado:

"The record of the mining industry has been one of steady increase of production from the first discoveries to the present day. While the territory embraced within the present State boundaries marked the scene of several exploring parties of earlier date, not until the year 1858 were the white pioneers strong enough, numerically, to establish a settlement. The inhabitants even at this late date were mainly Indians of various tribes. White hunters and trappers were sparsely scattered over this section and had for years plied their vocations to advantage. Later they were joined by the prospectors in search of precious metals. In 1858 credence was given to earlier rumors by a small party of prospectors, who reported the discovery of gold in paying quantities. The result of this report was the concentration of the white inhabitants in sufficient numbers to establish the first mining camp. This camp was located near the present site of the city of Denver, and called Montana.

The development of the gold deposits soon demonstrated the same to be of little value under the economic conditions existing at that time. The prospectors began to disband, and the search for gold was continued in the more mountainous sections.

At this time Colorado was far inland, and communication was only possible by wagons 'crossing the plains.' In this manner the reports of the gold discoveries were conveyed to the Eastern States; the value increasing, and the difficulties to be overcome decreasing, with repetition, time and distance.

The people of the Eastern States, still suffering from the financial crash of 1857, were ready to grasp at any opportunity for retrieving lost fortunes, so the inflated reports of gold in Colorado were accepted as received. This was productive of a tide of immigration which soon made the 'Pike's Peak Country' famous.

On January 7, 1859, George A. Jackson discovered gold in paying quantities at a point near the present site of Idaho Springs. Following this, discoveries which yielded fair returns were made in several sections, and the mining industry fairly launched.

In February, 1861, Colorado was organized as a territory, with an estimated population of 65,000. The wisdom of this Act of Congress was considered questionable even to as late as 1870. This year marked the advent of a railroad, and was practically the first assurance of a permanent industrial establishment in Colorado.

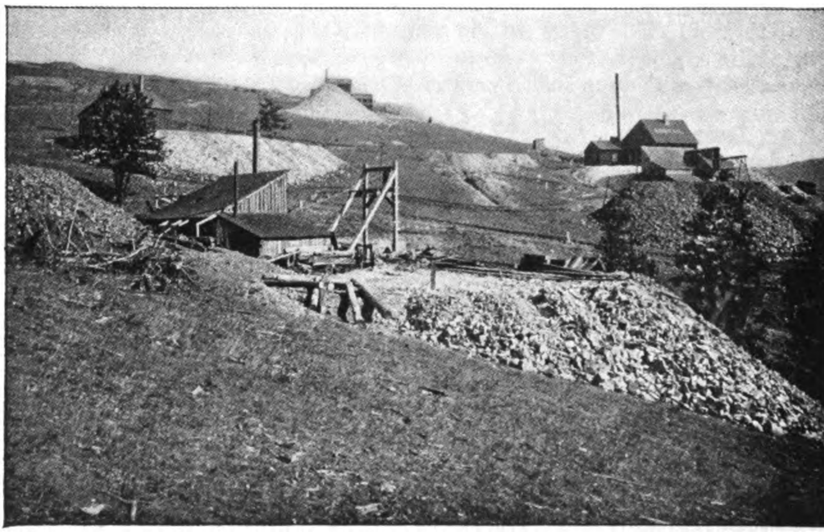
Aided by railroad connection, the development was more rapid. In 1876, the territory of Colorado was admitted into the Union as a State.

While the record of mining in Colorado has been one of increase of production, the product has been variable. The early mining was for gold alone. The demand for 'pay placer beds,' under primitive conditions, exceeded the supply. The lodes or veins were discovered to carry gold values, and the oxidized ores near the surface found to yield a profit. Silver at that time was considered detrimental.

The opening of gold-bearing veins soon developed the necessity for mills. Their introduction followed with variable success.

The establishment and successful operation of the Boston and Colorado Smelting Works, at Black Hawk, in 1868, marks one of the most important events in Colorado history. Silver and copper began to have some intrinsic value; a new era in the State's mining progress was opened. Ores which prior to the establishment of this plant were worthless, under new conditions were found to possess intrinsic value. More activity in mining followed. Silver became a commodity to be sought rather than avoided.

Following the advent of a railroad, in 1870, reputed rich finds of gold and silver in the



BATTLE MOUNTAIN, SOUTH SLOPE, CRIPPLE CREEK.

San Juan section, in 1872; the discovery of lead carbonates, carrying silver, in Leadville, in 1874, an era of building railroads and reduction works began, which reached a climax in 1879. By this time the army of prospectors had stopped the search for gold and turned their attention to the discovery of lead-silver properties. In an incredibly short time the mines yielded silver in excess of gold, and the State stood at the head of the list as a producer of silver.

From 1879 until 1889 the search for silver mines continued. Through adverse legislation the market price of silver declined until the demand for new silver mines was practically at a minimum. Prospectors again turned their attention to a search for gold. As a result Colorado, for gold production in 1897, stands the recognized leader.

The transition of the State's production of precious metals from gold to silver, and later from silver to gold, is not only a tribute to the limitless resources of the State, but also to her citizens. It not only demonstrates the ability of both to meet the demand, but to take the lead in supplying the metal demanded."

A careful compilation shows that in 1897 there were 29,215 men actually engaged in mining in the State. The general rate of wages ranges from $2 to $5 a day.

The metallic production for 1897, as reported by the State Bureau of Mines, was:

	Quantity.	*Value.*
Gold	947,249 ozs.	$19,579,636.83
Silver	21,278,202 ozs.	12,692,447.47
Copper	9,151,592 lbs.	960,917.13
Lead	80,799,778 lbs.	2,731,032.49
Total		$35,964,033.92

The total recorded output of these metals in Colorado has been :

	Quantity.	*Value.*
Gold	8,373,658 ozs.	$173,083,523.00
Silver	339,023,940 ozs.	312,792,267.00
Copper	75,306,923 lbs.	9,437,662.82
Lead	2,016,106,992 lbs.	83,014,414.69
Total		$578,327,867.51

Among the mineral resources of Colorado, developed or prospective, are large and valuable deposits of gypsum, known deposits of asphaltum, and the various hydro-carbons having an asphaltum base, gem stones, mica, grindstone, corundum, asbestos, mineral paint, aluminum, sulphur, nickel, cobalt, uranium and the tungsten minerals.

The great richness of the Cripple Creek district is spoken of more fully further on. In July of the present year the output of the Cripple Creek gold camp was $1,321,522, or $18,000 in advance of the June output, which was thus far the best on record.

The tonnage was 30.950, of which the smelters treated 10,000 tons, valued at $700,000, an increase over June of $5 a ton.

The big mines are nearing 1,000 feet in depth, which accounts for the increased

DUG-OUT CABIN ON THE GRAND.

value. The output for the seven months of 1898 is $8,321,552, which would indicate about $16,000,000 for the year.

There are many other rich mining districts, including the Gunnison, San Juan, Clear Creek and Leadville.

Colorado also possesses inexhaustible coal resources. Official geological surveys give coal-bearing strata of 40,000 square miles, or one-third of the entire area of the State. A conservative estimate shows the actual coal fields to be 18,100 square miles, and Colorado already stands fifth in rank of the coal-producing States. The coal fields are found on both sides of the Rocky Mountains, those on the western slope being the largest and most important in quantity and quality. The northeastern field carries an excellent ordinary and cheap fuel in its non-coking lignitic coal. The southeastern, or Raton field, from Canon City to Trinidad, carries a bituminous coal, one-half the area being coking, the remainder domestic. The southwestern, or La Plata field, is of much the same character, producing both domestic, bituminous and coking coal. The northwestern, or Grand River field, bears the greatest varities of coal, bituminous, coking, some anthracite, the bulk of it being domestic non-coking coal. There are still large areas of coal fields but little explored or developed.

Taking the whole State, the "lignitic" type constitutes only a small fraction, the bulk of the coal being first class bituminous domestic coal, with considerable areas of coking coal, producing coke equal to Connellsville, Pa., the areas of anthracite being limited.

The abundance of excellent coal of various kinds, easily accessible and easily workable, of necessity causes fuel in Colorado to be cheap.

The coal output of the State in 1873 was only 69,977 tons, which in 1896 had risen to 3,516,960 tons, worth $5,500,000; the counties of Fremont, Gunnison, Garfield, Huerfano and Las Animas taking the lead as producers.

Over a million tons of coal are shipped annually to Utah, Kansas, Nebraska, New Mexico, Texas, California and Montana.

During 1894 the counties of Las Animas, Gunnison, Garfield and La Plata produced over 300,000 tons of coke, worth $900,000.

Colorado is rich in iron ores, and at Pueblo is located the Colorado Fuel and Iron Co., which is extensively engaged in manufacturing iron and steel.

A candid review of the development and present situation of gold mining in Colorado, prepared especially for the BANKERS' MAGAZINE by the State Geologist of Colorado, will be found below:

GOLD MINING IN COLORADO.

Having been asked by so serious a publication as the BANKERS' MAGAZINE to contribute information in regard to the economic aspects of the mining industry of Colorado. I accede to the request with the satisfaction which comes to a man when pleasure is closely allied to duty.

The winning of gold has in recent years undergone marked changes. These changes, while they have brought about a radical betterment, have nevertheless not been of that revolutionary kind sometimes suggested by careless observers, but they have rather taken place in accord with that evolution which is now recognized as the expression of all true development in the natural world.

It is not long since mining was something of a reckless gamble, something of a wild insanity. The everlasting monkey in man prompts him in times of speculative excitement to follow any bubble which holds out the promise of making him suddenly rich. The comparative inexactness of the science of mining affords an excuse for the exaggeration and rhodomontade which become dangerous weapons in the hands of reckless promoters.

To oppose these tendencies, other forces have fortunately been at work. The tremendous growth of commerce following in the wake of industrial development has given a notable stimulus to the production of that one metal in terms of which the value of all the others is expressed. Gold is the one staple for which there is a constant demand. The demand for it has appreciated its value relatively to that of the material, such as machinery and supplies, used in the winning of it. At the same time the increasing difficulty of finding investments both safe and remunerative has attracted the attention of financiers to an industry which needed but their clear common sense and business insight to make it more profitable than any other form of human endeavor. The aid given to the industry by the gradual introduction of better business methods is keenly appreciated by the technical adviser whose efforts have so often been rendered nugatory by the vagaries of the ignorant office man. And while this has put the finance of mining on a sounder footing, there has been an equally striking improvement in the application of those sciences on which the operations of the industry are ultimately based. The result of these ameliorating conditions can be expressed in the one intelligible unit, the dollar. The cost of winning an ounce of gold is, under similar natural conditions, several dollars less to-day than it was ten years ago. This does not mean that gold in general is more easily obtained than it used to be. The most accessible, the richest and the superficial deposits of gold ore are fast approaching exhaustion, and it is only by the lessening of the costs of exploitation that ores once too poor to touch now yield a profit. Taking any given vein occuring under given conditions and carrying ore of a given value, there is more profit in working it to-day than there was ten years ago.

The development of the mining industry of Colorado is typical of the development of the industry as a whole. If the story it tells differs from the records of California, Australia or South Africa, the difference is to be found in an accentuation of that adaptation to environment which characterizes all genuine evolution. Gold mining in this State began in 1859. The time of a generation has barely elapsed, and yet to-day the mineral production of the State has an annual value of more than fifty million dollars, of which twenty million represents the gold yield. Colorado is to-day the largest gold and the largest silver producer of any State in the Union. Six years ago the gold production was relatively unimportant as compared with the production of silver, but the collapse of the silver market, due to the closing of the Indian mints, in 1893, served as a severe check to the silver-mining industry and gave a more than corresponding impetus to the search for gold. Statistics will speak bettter than much writing :

GOLD AND SILVER PRODUCED IN COLORADO, 1892–97.

YEAR.	GOLD.		SILVER.	
	Ounces.	*Value.*	*Ounces.*	*Value.*
1892	256,420	$5,300,000	26,350,000	$23,082,600
1893	364,119	7,527,000	25,838,600	20,205,785
1894	461,969	9,549.731	23,236,025	14,638,696
1895	656,021	13,559,954	17,891,626	11,687,150
1896	738,618	15,267,234	21,547,743	14,458,536
1897	947,249	19,579,637	21,278,202	12,692,448

The first mining was for gold and it began in Gilpin county, which has ever since been a remarkably steady contributor to the total output of the State. Boulder and Clear Creek counties were nearly contemporaneous with Gilpin. These three adjoining districts in the northern part of the State were the scene of greatest activity for nearly two decades. Then the discovery of immense ore bodies in the Leadville region diverted attention from gold to silver mining. After Leadville came Aspen, Rico and other districts in the southwest. In 1892 silver mining reached its highest level of prosperity. Creede swelled the output, which reached thirty million ounces. Then, in June, 1893, came the disorganization of the silver market. The people of this State turned with a despairing energy to the development of its gold resources. They were awaiting just such recognition. The yield increased at once. Cripple Creek, discovered two years previously, expanded into the leading gold mining district of the United States. Gilpin county woke up to renewed activity, Boulder, Clear Creek and the many centres in the rugged San Juan, in fact, the whole extent of our beautiful mountain land, broke into magnificent productiveness which enabled Colorado to outstrip California and assert itself as the leading gold-producing region on the American continent.

By an examination of the published list of dividend-paying mines in the United States, it will be found that one-third of the total number are in Colorado alone.

The smelting industry of the Rocky Mountains is centered in this State. Moreover, its success above all other regions in the reduction of refractory ores makes it to-day the pioneer in the metallurgical treatment of gold-bearing rock.

The causes underlying these results are more easily discerned by one who has had an acquaintance with foreign countries. Of course, nature endowed this part of the earth's crust with riches of peculiar variety, gold, silver, copper, lead, coal, iron—and man but reaps a harvest that he did not sow. Still, a natural endowment, however generous, would not suffice to build up a diversified and productive industry if the energy of man did not know how to utilize it for a beneficent purpose. First and foremost, the State owes a debt of gratitude, too rarely expressed, to its far-reaching railway system and especially to the Denver and Rio Grande Railroad, which followed the footsteps of the pioneers into the furthest recesses of the mountains at a time when the mines were in their infancy of development and incapable of giving an adequate return in business. The foresight and courage of the originators of that enterprise led to the opening up of this State with a rapidity impossible had it remained dependent upon the stage-coach and the mule-train, as is still the case in many mining regions.

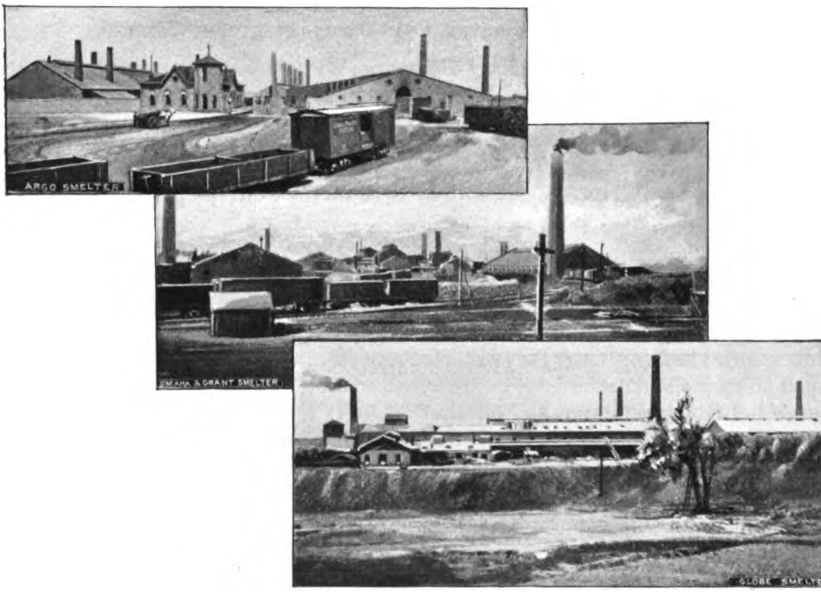
As soon as the first railroads had been planned and it became evident that Denver and Pueblo were destined to be the commercial centres and distributing points for this part of the Rocky Mountains, there were laid down the foundations of the smelting industry which has grown until it is measured by a total capacity of 4,000 tons of ore per day. The very complexity of the ores which puzzled the pioneers has become in later years the best guaranty for successful reduction. In smelting, a suitable mixture of materials is needed in order to bring about a separation of the valuable from the valueless components of the ore. Thus materials carrying lime, quartz and iron are needed to be mixed with the ore in proper proportions, and to render their fusion inexpensive good fuel is another requisite. Nature has been bountiful. In the younger rocks which flank the foothills there occur measures of large extent, and from their product is made the excellent coke needed in the furnaces of the smelter. To emphasize the completeness of the resources of this region it need only be added that from the iron ores of our mountains are made the steel rails which carry its commerce, and one may mention the significant fact that mines in California are to-day using the rails made by the Colorado Fuel and Iron Company, while the machinery manufactured in Denver reaches localities so distant as Kalgoorlie in West Australia.

A comparison will serve to illustrate the favorable character of the conditions which environ the mining industry of this State and enable it to offer so legitimate a field for sound enterprise. West Australia has just been mentioned. It is one of the most famous of the newer gold regions opened up by the tireless energy of the English-speaking race; it was the scene, quite recently, of an extraordinary boom which caused many million pounds to be expended, and it can boast to-day at least one group of remarkably rich mines. Consider for a moment the obstacles to profitable mining presented by such a country. The mines are scattered over a weary desolation aggregating over 900,000 square miles. Running water is not seen. The brine which is got by sinking wells is distilled before it can be used in boilers. At any distance from the larger settlements water costs twelve cents per gallon, and fodder for horses ten cents per pound. Miners are paid $3.50 per day, but the want of good food and the unhealthiness of the country render this far from an enviable wage. Freight is carried by camels. Lumber comes from the coast. Timber is scarce. As a consequence the cost of operations is approximately $20 per ton. That is, the value of an ounce of gold must be expended to win the gold in a ton of ore. Manifestly only very rich veins will pay. Indeed, there are very few profitable mining enterprises outside one particular district, Kalgoorlie. In that locality there are half a dozen extremely valuable mines exhibiting lodes of very remarkable width and richness. Because of the size of the ore bodies, the aid of the railway and the skilful direction of a number of American engineers, costs there have been reduced to nearly one-half what they are elsewhere in West Australia. For the sake of comparison we may therefore put the average cost in West Australia at $15. This means that the equivalent of three-quarters of an ounce of gold is consumed in the search for ore (development) the breaking of it (mining) and the transfer of it to the mill; it includes also the expense of its treatment at the mill and all the various smaller expenditures incidental to mining operations. The government of West Australia is of a fussy paternal kind, and a legislature dominated by the older farming population of the coast prompts the enactment of laws which hamper the working of the mines. Man and nature have united to make it difficult to recover the gold in the rocks at a reasonable profit.

Favorable Conditions for the Development of Mining.

In Colorado conditions are widely different. We have long ago passed through the kindergarten stage of mining legislation, and neither the Federal nor the State government endeavors to do anything but aid the development of the country. Natural conditions are unusually kind, because the mines are in a mountainous country offering the advantages of fine timber in its pine forests, water power from its melting snows, and the opportunity of working the veins by means of tunnels, thus largely obviating the use of expensive pumping and winding machinery. There are few mines of importance which cannot be reached in a Pullman car, the railways have threaded the canons and climbed the mountain passes so as to unite the mine to the smelter, the foundry and the bank. The most complete equipment necessary for large operations can be ordered by telephone from the numerous machinery firms in Denver and the erection of any required plant is facilitated by easy communication and trained millwrights. Moreover, Denver is the residence of a number of mining engineers and metallurgists able to meet successfully any of the obstacles to be encountered in the mining and reduction of ores. The result is expressed in dollars. The ore, which in West Australia is worked at a cost of $20 per ton, would here be handled for $8, and that which in the desolation of the Kalgoorlie desert requires $10 to be expended in the treatment of it, would here, under the more favorable conditions, consume only $6 in the extraction of the gold it contains.

The question of the expense to be incurred in extracting the gold in an ore is no less important than that of the amount of gold the ore carries. Yet this is a matter, absurd as it may seem, often overlooked. The richness of any region is of little benefit to a community unless the facilities for its development are such as to enable energetic men to exploit its resources at a profit. The discovery of an ore deposit is only the first of a series of events leading eventually to the creation of a well-organized mining enterprise; a hole in the ground is not a mine. Napoleon is said to have stated that in order to carry on war three things are necessary. The first is money, the second is money, the third is money. It is so in mining. You must put money into the ground before you can take it out. You sow before you reap this golden harvest of the underworld. The Mexicans have a proverb that says, "A gold mine is needed in order to work a silver mine." To this we may add that it requires the aid of a bank to develop a gold mine. Of course, there have been instances where profitable mining has commenced at grass roots, and it has been all as simple as digging potatoes. But these are the eccentricities of mining. To be considered as a security for a loan, to be regarded as a sensible investment, a mine must have reached that stage of growth when the uncertain behavior of youth has given place to such development as ensures stability of character. Large deposits of low-grade ore yielding a product of uniform value furnish the best investment to the financier. From the banker's standpoint the curse of all mining is its inexactness and its uncertainty. You may expend ingenuity and skill in the equipment and management of a mine, but if the ore bodies are short-lived and erratic, the working cost per ton of ore becomes quite secondary to the overshadowing question whether you have or have not the ore which is the basis of all the management, promotion and financing. Mines are short lived. They yield a harvest that is gathered once only. Nine mines out of ten are sold for more than their worth; more money is made by selling than by buying them. Much of the so-called business of mining is based on a scant knowledge of its operations and a profound recognition of the essential foolishness of human nature. A man usually buys a mine not because it is worth the price he gives for it, but because he is justified in the expectation of finding some one who will pay more for it. The syndicate sells to the



THE THREE LARGEST SMELTERS IN THE WORLD.

public, the public sell among themselves. The second man hopes to meet a third with more money and less sense. So the game proceeds. When the sequence has been exhausted some one gets badly bitten. Then come lamentations. Do not blame the industry. It is no more responsible for these vagaries than the man who breeds thoroughbred horses is to be blamed for the dishonesties of the turf. You cannot play the fool and expect miracles to happen. Good sense and ordinary care are as much needed in mining as in any other occupation, and the lack of them meets the same punishment. The old advice holds, *caveat emptor*.

The last ten years have witnessed a notable improvement. The financier has come into direct touch with the engineer, and the flock of *chevaliers d'industrie* who formerly seemed so essential to any business has been largely eliminated. I do not decry the promoter; the broker who brings the buyer and the seller together performs a useful office and must be recognized; but the trickster who poses as mining engineer, financier, philanthropist, and is after all only an adventurer, has been nothing but a parasite and a curse to the industry. If the engineer will recognize more fully that the capitalist goes into mining to make money and not to develop the waste places of the earth or to spoil the scenery of the mountainous ones; if the capitalist will realize that in order to be successful he must take advantage of all the knowledge available and follow the advice of those who have made the matter a life study, then I venture to believe that there will be more dividends. All the accurate knowledge in the world is a small matter, but this makes it only the more essential to use the little that is available. *Ne sutor ultra crepidam.* When the shoemaker takes to making shirts and the bank Cashier directs technical operations, there , at least a great misdirection of capacity. Such blundering has been the cause of many failures in mining as in other industries. Experience is not cumulative. We profit very little from the mistakes of others. Therefore it is that progress is slow and errors are repeated. Mining investors have had so many doses of unpleasant medicine that they should begin to recognize the causes which bring about their recurrent financial maladies.

Given ordinary business methods and the aid of proper professional advice, gold mining affords a scope for profitable investment unequalled by any other industry, and among the many regions where gold is now successfully won Colorado stands foremost on account of its past achievement, present productiveness and the brilliant future promised alike by the lavish generosity of nature and the couquering energy of man. T. A. RICKARD, *State Geologist.*

V.

SMELTING AND REFINING.

No one thing has contributed more to the success and stability of the mining industries of Colorado than the recent improvement in processes of ore treatment. This improvement has been largely due to the investigations and experiments of Colorado's mineralogists and practical workers in the smelters.

To this factor of cheapened ore-reduction should, of course, be added the factor, in some aspects more important still, of easier and cheaper transportation from mine to mill. To those who have been even a comparatively few years in the State, it is familiar knowledge that not long ago many mines could not be worked to a profit unless their ores contained values of $75 to $125 per ton. Mines similarly located to-day can be worked to a good profit even if the average run of their ore is worth no more than $15.

All this is due somewhat to improved methods of mining; somewhat to lower wages for labor; very largely to increased facilities for transportation; and very largely again to improved processes of reduction.

The eminent mining engineer, H. M. Chance, says that "the movement towards an enlarged output of gold is yet in an incipient stage." Few realize this fact, for few realize that the gold mining industry is passing through revolutionary changes; that the cost of producing gold has been falling, while its value has been rising. Never before have the environments of gold reduction been so favorable. The public will soon be forced to modify the old idea that "gold mining is generally merely one form of gambling." Speaking in a general way of improved processes he further says that, "the cyanide process, patented in 1889, was first applied to practical work on a large scale in 1890, yet it is estimated that more than fifteen million dollars' worth of gold was extracted by this process last year. The results from the extraction of the chlorination process are perhaps even more surprising than these; and the increase in gold production due to reduced smelting cost, has been greater than that due either to cyanide or to chlorination."

It is not possible here to attempt an explanation even of the most general kind, of any of the processes of gold and silver extraction. It should be understood, however, that the gold Mr. Chance mentions as extracted in the last few years by cyanide process, chlorination process, and cheapened smelting process, is gold that five or six years ago would not have been saved at all, and in many cases came from ore that would not have paid to mine at all.

The great improvement in milling processes for native gold—that found in its natural state in the rocks—has been since 1875. Before that date ore which contained less than fifteen to twenty dollars per ton was rarely handled. Now ore containing only three or four dollars to the ton can be worked to a profit, and this low workable value will probably be decreased still further within the next few years. Improvements and inventions in all kinds of ore treatment are at once adopted in Colorado. Many of them are here devised or discovered.

The State contains many thousand square miles of promising prospecting ground, much of which, judging by past experience, will prove to contain valuable deposits of silver and gold. The continued extension of railroads and the continued cheapening of ore treating processes will make possible a vastly greater production of gold in this State in the next ten or fifteen years than even the most sanguine of its residents suppose.

There are a number of very large companies engaged in these operations. One of the largest—the Omaha and Grant—has refined ores in the last twelve years having a market value of $201,464,594.

VI.

AGRICULTURE, FRUIT GROWING AND STOCK RAISING.

Agriculture and Fruits.

Colorado is not composed entirely of picturesque mountains. There are many fertile valleys and thousands of acres of broad plains. In the former agriculture is carried on successfully by means of irrigation, though the plains are, as a rule, best adapted to grazing purposes.

The development of agriculture in Colorado since 1880 has been the wonder of western civilization, and it has been accomplished by means of irrigation, together with favorable climate and soil. Farming by irrigation in Colorado is probably seen to the best advantage in the San Luis Valley.

The average yield of bushels of wheat per acre, is twenty-three.

The average yield of oats per acre in Colorado is forty-five bushels; of barley, twenty-eight bushels.

While in the Arkansas Valley from sixty to eighty-five bushels of corn per acre are raised, the average for the whole State does not exceed thirty bushels.

As to potatoes, the average yield per acre is from 200 to 400 bushels on irrigated land, and about 180 bushels in non-irrigated districts.

Alfalfa, the favorite forage plant, yields in three cuttings an average of about six tons per acre per annum. Red clover, timothy, orchard grass and red-top grass are successfully and extensively grown. Hops, hemp, flax, tobacco, sugar beets, rutabagas, mangold-wurtzel, etc., do well in different parts of the State. Colorado needs a number of practical hop-growers to supply the local market.

While the acreage has been extended, and the volume of production increased, the fall in prices has more than offset the increase, but a conservative estimate of all Colorado farm products, including live stock and dairy products, for 1897 is $50,000,000, exceeding in value the whole of the products of the mines, so that the general impression of many persons at a distance that Colorado is almost entirely a mining State is quite erroneous.

The returns on some of the various products are estimated as follows: fruit orchards, $200 to $250 per acre; watermelons, $100 to $175; canteloupes, $150 to $250. Last year the 325 members of the Rocky Ford Melon Growers' Association shipped 328 cars of melons, and the acreage this season is reported at nearly three times what it was last year.

"Watermelon Day" at Rocky Ford is one of the annual events in the history of the State.

There are about 4,000,000 acres of land under irrigation, one-half only being in cultivation. The average annual cost per acre for irrigating is seventy-nine cents.

The melon crop for 1897 was valued at $1,000,000; alfalfa and other hay crops, $10,000,000; cereals, $12,250,000; poultry and eggs, $3,500,000.

Stock Raising.

Live stock can be grown and fattened with great profit in Colorado, and Denver is fast becoming the cattle market of the Trans-Missouri country, and should in the near future become an important packing center. Colorado wool is of good quality and Colorado lambs command a high price in the New York market.

There were in the State in 1897 187,880 horses, valued at $2,252,108; 590,622 cattle, valued at $5,029,409; 1,400,000 sheep, and the wool shipped amounted to 12,000,000 pounds.

VII.

BANKING, MANUFACTURING AND GENERAL BUSINESS.

Banking.

There are about 150 banks in Colorado, National, State and private. The capital, surplus and profits of the National banks exceed $6,000,000, and the aggregate resources are over $46,000,000. It should be borne in mind that these figures include only the thirty-eight National banks, statistics of the other banking institutions not being available.

A sketch of early banking in the city of Denver is given below:

THE PIONEER BANKERS OF DENVER.

The first house in Denver was erected in 1858. A community rapidly grew up on the banks of Cherry Creek, and the machinery of human life was set in motion. Mercantile and other industries were initiated, and in the scarcity of other circulating media, the chief product of the region was made to do duty. Gold dust itself passed over the counter to pay for the necessities and luxuries of life. Obviously this currency was in many respects inconvenient and unsatisfactory. The merchants kept scales on which to weigh the gold, but these were more or less inaccurate, and in the making sure of full weight the customer was likely to suffer. On the other hand the dust was of varying fineness, which had to be determined by such simple process as was at the merchant's command; and he ran the further risk of the fraudulent admixture of the baser metals. Very soon, then, there were established brokers, who, with more accurate means of determining values, were prepared to purchase the gold-dust and forward it to the East.

The first broker's office was that of Samuel and George W. Brown, whose place of business was situated on Larimer street.* This was in 1859. About the same time, or a little later, Turner & Hobbs opened an office on Larimer street, in *West* Denver, which was continued until some time in 1861.

* For the sake of clearness the present names of streets are used.

It was some months later that C. A. Cook & Co. set up a similar business in a corner of their wholesale merchandise house on Blake street, between Fourteenth and Fifteenth streets. They were the first to issue a paper currency, which they put forth in denominations of ten, twenty-five and fifty cents, and one dollar, the notes being printed from steel plates, and having an accredited circulation, not only in Denver, but to some extent throughout the mining camps in the mountains. This private bank continued in business for some years, Mr. Cook becoming a stockholder in the First National Bank when it was formed in 1865.

July 20, 1860, Clark, Gruber & Co. opened a coinage mint in the building which they had erected for the purpose at the corner of Sixteenth and Market streets. The edifice still stands, a monument to one of the most interesting episodes in Denver's history. These gentlemen had been in the banking business in Leavenworth, and a great deal of Colorado gold had passed through their hands. The transportation charges on the precious metal were very high, as well as upon the money sent back in payment. All this could be saved by coining the gold in Denver, thus performing a valuable service to the community, and at the same time securing a good profit to themselves. Accordingly they arranged to come to Denver and engage in the enterprise. They arrived in the spring of 1860, bringing with them all the necessary machinery, dies, etc. The building had already been commenced; it was pushed to completion, the machinery put in place, and operations begun. At first the coins were of pure gold, without alloy, and only ten and twenty-dollar pieces were issued; but the next year other dies were obtained and pieces of the denomination of $2.50, $5, $10, and $20 struck. These later coins were alloyed in nearly the same percentage as those of Government issue, for it had been observed that the softer coins suffered loss by abrasion. The issue of 1860 bore upon the face a creditable representation of Pike's Peak, with a pine forest at its base, and the words "Pike's Peak Gold," "Denver," and "Ten D," or "Twenty D"; on the reverse appeared the American eagle, with "Clark, Gruber & Co., 1860," encircling. The coins of 1861 closely resembled those of the United States, the cap of Liberty bearing the words "Pike's Peak," and "Clark, Gruber & Co." taking the place of "United States of America." It is said that about $3,000,000 of coinage was put in circulation by Clark, Gruber & Co. during a period of a little less than two years. Any one now possessing one of these coins has a relic of early Colorado of much interest and of value much beyond its face. The question of the legality of this private mint does not appear to have been raised, perhaps because the action of the firm was clearly honest and free from any attempt at deception, and was withal of vast benefit to the isolated community. They were active in pushing the bill in Congress which had for its object the establishment of a branch United States Coinage Mint in Denver, and which resulted in the sale of their building and equipment to the Government, the sale being consummated in April, 1862. The Coinage Mint, however, by dint of stronger influence, was secured for Carson City, Nevada, and the Denver building has been used as an assay office only. But recently Government action has been taken to establish here the long-desired plant, and the erection of a suitable building on the half-block facing on Colfax avenue, and running from Evans to South Fourteenth streets, is now in progress.

The same year of Clark, Gruber & Company's establishment here, but a few months later, Dr. O. D. Cass, who had been practising his profession in Denver since May, gave up medicine and commenced buying gold and loaning money. A little later his brother joined him, and the firm of O. D. Cass & Co. erected a building at the corner of Sixteenth and Market streets and opened as bankers and money loaners.

In 1861 Warren Hussey came to Denver and opened an office and began buying gold. Associated with him was Frank Palmer. Branches were established at Salt

Lake City and Central City. Mr. Hussey gave personal attention to the Salt Lake branch, Mr. Joseph A. Thatcher becoming the manager of that at Central City, and Mr. Palmer remaining in Denver. This Denver establishment eventually merged into the City National Bank, which was chartered in 1872.

In 1861 P. P. Wilcox, E. W. Cobb and E. C. Jacobs obtained a special charter from the Territorial Legislature, giving them authority to open a bank under the name "The Bank of Colorado," to transact a general banking business and issue currency. The organization was never perfected, but P. P. Wilcox & Co. made an issue of fractional currency of the denominations of ten, twenty-five and fifty cents. The issue was not in any large amount and was faithfully redeemed when presented, but as about twenty-five per cent. of it was lost or destroyed, the firm made a snug profit out of the venture. A large portion of this currency was issued after and in spite of the legislative enactment of November, 1861, which forbade any such private issue of money. Wilcox was indicted, but no punishment followed.

Another private banking house to be mentioned is that of George T. Clark & Co. Mr. Clark was not related to the Clarks of Clark, Gruber & Co., but he had been the manager for that firm. His business became absorbed in the First National Bank when it was organized and he was its first Cashier.

It was in 1862 that Luther Kountze came to Denver and opened an office in a small space in the drug store of Walter S. Cheesman on Blake street. Here he carried on all the functions of a bank of deposit and discount, bought gold and loaned money. His quarters were destroyed by fire the following spring, and he secured a corner in the general store of Tootle & Leach on Blake street. Luther Kountze was the third of four brothers, the two oldest of whom, Augustus and Herman, were engaged in banking at Omaha. Luther received his training with them, and the business established in Denver was intimately connected with that at Omaha. The youngest brother, Charles B., joined him here in 1864, and the business continued with great prosperity until it was organized into the Colorado National Bank in 1866.

We have thus briefly reviewed the period preceding the formation of National banks. In banking, as in all the phases of social and business life in Denver, it was a period of very rapid development, and it is interesting to note how in the few years covered trade and finance crystallized into form. The necessities of the early pioneer conditions, affected greatly by remoteness from the older centres, and the heavy expense of communication with and transportation to and from them, had been met by various expedients in the way of a medium of exchange, such as the original gold-dust, coin and paper money of private manufacture, etc. From this on, with the formation of banks under the National Banking Act, systematic and safe-guarded methods assumed sway, and the business community gradually settled into the beaten path.

Present Banking Institutions.

It would be of very great interest to trace the history of all of Denver's banking ventures from the period just considered down to the present day, but the limit of space restricts us to the mention of a few dates and names connected with the older and more important of those now in active business. In the spring of 1893 the Denver Clearing-House included eleven National banks. Six of these have passed out of active existence through consolidations, or stress of adverse circumstances, particularly during the trying times of 1893.

The First National Bank of Denver received its charter April 17, 1865, and opened for business May 9. Among its original stockholders were Austin M. and Milton E. Clark (of Clark, Gruber & Co.), George T. Clark, Charles A. Cook, Jerome B. Chaffee, Henry J. Rogers and Eben Smith; its first officers being J. B. Chaffee, President; H. J. Rogers, Vice-President; Geo. T. Clark, Cashier. Two years later Mr. David H. Moffat was made Cashier, and from that day to the present he has been the head and front of the institution. Mr. Moffat had been in Denver since 1860, engaged in the book and stationery business, but all his previous business experience, which commenced at an early age, had been in banking. Mr. George W. Kassler, who had at one time been connected with the private bank of Turner & Hobbs, became Assistant Cashier of the First National in 1874, and Cashier in 1880, Mr. Moffat at that time succeeding to the presidency. When in 1882 ill-health compelled Mr. Kassler to withdraw from its service, the bank lost a most able officer, and his death in 1890 was a loss that the community keenly felt. He was succeeded by Mr. Samuel N. Wood. He resigned in 1891 to secure needed relief from overwork, and the office has since been well filled by Mr. George E. Ross-Lewin. Mr. Thomas Keely is the efficient Assistant Cashier.

The First National commenced business with a capital of $50,000; its capital and surplus now amount to a little over $1,000,000, and its deposits exceed $12,000,000.

The Colorado National Bank was organized in August, 1866, being founded upon the private banking business of the Kountze Brothers. Soon after its organization Luther Kountze went abroad, remaining a year, and returning to Denver for a brief time only, after which he went to New York, and in 1868 founded there the well-known banking house of Kountze Brothers. Consequently since 1866, at which time he had but just reached his majority, Mr. Charles B. Kountze has been the active manager of the Colorado National and of all the varied interests of the brothers in this section. He continued as Cashier from the opening of the bank until 1871, when he became President and Mr. William B. Berger was made Cashier. Up to the time of his death in April, 1890, Mr. Berger was Mr. Kountze's valued associate in the management of the bank, and he has left a memory for integrity, kindliness and high ideals more honorable than any'monument of man's building. After his death Mr. Thomas H. Woodleton was Cashier for a few months, until broken health compelled him to retire, and Mr. Berger's oldest son Charles B. succeeded. He died January 3, 1891, and his brother George B. was elected. A third son, William B., occupies the position of second Assistant Cashier, Mr. J. C. Heinz being the first Assistant Cashier.

The capital and surplus of the Colorado National amount to $700,000, and the deposits exceed $6,800,000.

The Denver National Bank was opened in December, 1884. Mr. Joseph A. Thatcher, who has been its President from the first, began his banking career in 1863, as manager of the Central City branch of Warren Hussey & Co. After a few years he purchased that business, and in 1874 organized it into the First National Bank of Central City, of which he was the President. Coming to Denver in 1882 he traveled abroad for a year or more, after which he returned and the Denver National was formed. The Vice-Presidency has always been held by Ex-Governor James B. Grant, and the board of directors has remained nearly the same. The first Cashier was Mr. A. A. Denman, who had previously been connected with Warren, Hussey & Co., the City National Bank, and a private bank at Aspen. He was succeeded in 1891 by Mr. John C. Mitchell; Mr. Edward S. Irish is the Assistant Cashier.

The Denver National has $650,000 capital and surplus, and the total deposits are about $4,000,000.

The National Bank of Commerce, which grew out of the private bank of McIntosh & Mygatt, was opened July 15, 1890. The active members were Ex-Governor Job A. Cooper, President, and Charles L. McIntosh, Cashier. Mr. Cooper had been in Denver many years, and for twelve years previous to his election as Governor had been the managing officer of the German National Bank. Mr. McIntosh had located in Denver more recently. In 1897 these gentlemen retired from the bank, Governor Cooper to look after his pressing private interests, Mr. McIntosh to engage in large affairs in Chicago. The present officers are Charles Boettcher, President; D. C. Dodge, Vice-President; D. H. Dougan, Cashier; W. B. Morrison, Assistant Cashier.

The National Bank of Commerce has $200,000 capital, and over $1,000,000 of deposits.

The American National Bank was organized in December, 1889. Mr. I. B. Porter was the moving spirit in its formation and the first President. He retired from active connection with the bank in 1891. Mr. Howard Evans was the first Cashier. The City National Bank, which was formed in 1872 as the outgrowth of the old banking house of Warren, Hussey & Co., was absorbed into the American National in 1894. The personnel of the management, which has changed several times, is now as follows: Julius A. Myers, President; Thos. E. Poole, Vice-President; B. N. Freeman, Cashier; John Matthew, Assistant Cashier.

The Denver Savings Bank was organized in February, 1890, with the late H. B. Chamberlin as President and C. Y. McClure as Cashier. Mr. Chamberlin was succeeded in January, 189 , by Mr. D. H. Ferguson, and he in March, 1894, by Charles H. Smith. Since January, 1896, the managing officers have been George R. Swallow, President, and Carlos Wood, Cashier.

In addition to the banks enumerated Denver supports a trust company of large capital, performing all the functions indicated by its name as well as maintaining a savings department and safety-deposit vaults. The International Trust Company commenced business in February, 1892, with a paid-up capital of $250,000. The offices were in the Tabor Block, over the First National Bank. In due time better accommodations were demanded, and the present elegant quarters on the ground floor of the Equitable Building were fitted up. Departments have been added one after another, until now besides its chief business of handling estates, trust funds, etc., the company carries on deposit banking, a bank for savings, and safety-deposit vaults. These vaults are as perfect in every detail, as elegant and convenient as can be found in any city of the country. The officers of the International Trust Company are David H. Moffat, President; Henry W. Hobson, Vice-President; W. D. Todd, Second Vice-President; Frank B. Gibson, Secretary.

The consolidation of banking institutions, which has taken place in many cities of the country, has left Denver with fewer banks than heretofore, but those remaining will do a more profitable business because of the decreased competition. On a recent date the deposits of the five National banks amounted to $25,000,000.

MANUFACTURING.

The natural and inevitable tendency is for factories to follow population westward, especially when practically all the raw materials exist in the West and by means of cheap fuel can be economically manufactured for the supply of the evergrowing western market. As an instance of the great strides which have been made in this respect, it may be stated that so recently as 1870 Denver had but 4,731 inhabitants, and the value of her manufacturing output for that year was only $608,800. Conservative figures for 1897 showed her population to be 165,000, the value of her manufacturing output $43,000,000 (including $18,000,000 for three smelters), furnishing employment to 16,000 persons, with an aggregate pay-roll of $10,000,000.

The leading industries are brewing, canning, chemicals, clay goods, flouring, foods, leather, metal, packing, paints, paper, sewing, smelting, soap, stone, textile, wood, etc. Similar creditable figures could be given as to the manufacturing development of Pueblo with its blast furnaces, rolling mills, smelters, lead and oil refineeries, etc.; Canon City with its zinc smelter; Florence with its oil refineries, cyanide, etc., plants; Leadville, Aspen, Silverton and Durango with their smelting and reduction plants; Colorado City with its chlorination plant, etc., and there are fifty flouring mills scattered throughout the State.

With the abundance of raw materials, and with the growing population able to support such industries the State is an inviting field for the establishment of manufactories, and doubtless the near future will witness a rapid growth in this direction.

General Business.

In all lines of general retail and wholesale business the opportunities for the profitable employment of capital are good. The mining and other industries of the State give employment to a large number of men at wages ranging much higher than in the Eastern States; besides the large number of tourists who visit the State and the growing resident population add to the demand for all kinds of goods and products. Transportation facilities are exceptionally good for a comparatively new State, many of the great trans-continental trunk lines traversing the State, while the Denver and Rio Grande furnishes communication with nearly all the local mountain resorts and cities.

VIII.

THE CITY OF DENVER.

The "Queen City of the Plains," as Denver is not inappropriately called, lies in the valley of the South Platte, twelve miles from the foothills of the Rockies, of which an excellent view may be had from the city. To the east are the great plains and on the west rise the mountain ranges.

Denver's population is about 165,000. It has 181½ miles of street railways running in every direction. Its hotels would do credit to any city in Europe or America; its churches and institutes are ornaments to the city and a credit to its culture and taste, while its scholastic advantages are unsurpassed.

Newspapers and periodical publications number over one hundred. These include four English dailies—two morning and two afternoon journals—and one German daily.

Twenty-one railroads touch the city, and about one hundred passenger trains arrive and depart daily.

Sixteen million of dollars have been expended in the building of homes in Denver within the past eight years. Many hundreds of handsome homes have cost $25,000 to $50,000 for their construction alone, while in many instances these sums are nearly equalled in the cost of their interior decorations and luxurious furnishings. Besides these are many homes that have cost various sums, from $75,000 to $200,000.

The reports as compiled by the United States Signal Service show the remarkable fact that 340 out of the 365 were "sunny days" in Denver. The altitude is 5,196 feet; nearly one mile above the sea.

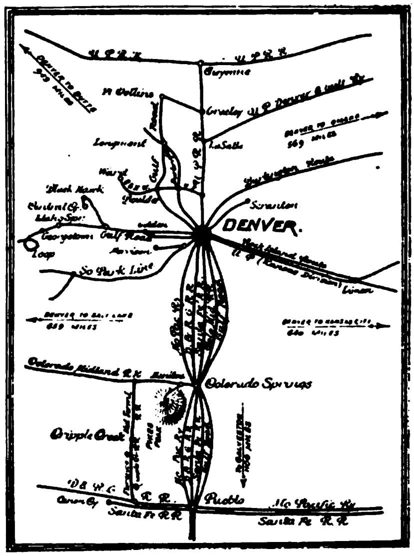
Situated five hundred miles away from any of the prominent towns of the country, it is a monument to the pioneer's spirit which made it what it is.

Its public buildings, business blocks and private dwellings are remarkable as chaste and beautiful specimens of architecture.

The city covers an area of forty-nine square miles, twice that of the city of Cincinnati, Ohio. It has an assessed valuation of $69,984,420, a real valuation of $77,685,525, and a bonded debt of $2,030,000. For the latter a sinking fund is created, and all interest is promptly paid. It required $871,904 to conduct the city government in 1898. It has 1,500 business establishments, giving employment to over 12,000 persons, who annually receive in wages nearly $9,000,000. The wholesale and retail sales for the year 1897 amounted to $55,000,000. The manufactures number 525; number of employees, 16,679; amount of wages paid, $10,990,782; value of product, $43,451,705. The clearing-house business for the last week of 1897 amounted to $2,127,165; for the week ending April 1,1898, $3,378,056, an increase of $1,250,891. The financial transactions of the post office aggregate $393,000. This department employes 100 carriers, who traverse 275 miles within the city limits.

During 1897 the real estate transfers represented, approximately, $3,000,000 in value. The number of new buildings erected cost $1,229,300.

Denver is the great smelting center of the West, treating a large per cent. of the ores of Colorado, and receiving large consignments from every mining State and territory in the Rocky Mountain region. Three immense establishments which have no superior in modern equipment or capacity in the world, are at the service of the miner. They are the Boston and Colorado Smelting Company, the Omaha and Grant Smelting Company, and the Globe Smelting and Refining Company.



DENVER AND VICINITY.

Denver is the great local and distributing fruit market between San Francisco and St. Louis, and Colorado is fast becoming a rival of California in fruit production. The live-stock industry is a source of great wealth. In 1897 there were 248,888 head of cattle handled in the Denver market.

The city is fully equipped to entertain in a satisfactory manner any large gatherings of a national character.

IX.

COLORADO SPRINGS AND CRIPPLE CREEK.

By GILBERT MCCLURG, Secretary Colorado Springs Chamber of Commerce, and CLAUDE M. SACHS, Editor of "The Mining Investor."

COLORADO SPRINGS.

In 1897 Colorado produced more than a third of the gold product of the United States, including Alaska. Colorado Springs, metropolis and county seat of El Paso county, developed and owns two-thirds of the gold mines of Cripple Creek, which last year produced one-half of the gold product of Colorado, one-fifth of that of the United States including Alaska, one-twentieth of the gold output of the world.

Colorado Springs since 1893, during the period that the country generally has been afflicted with hard times and panics, has witnessed an increase of population from 15,000 to 23,000.

Surrounding hamlets and towns—together with Colorado City and Manitou, two and one-half and five miles distant, each connected with Colorado Springs by electric car line and two steam railroads, will increase this total population to over 30,000 souls. And in the mining district of Cripple Creek, thirty miles away on the opposite side of Pike's Peak—the mountain separating the gold fields from Colorado Springs—where eight years ago there were no towns whatever, a dozen now thrive, encircling the mining belt, and adding another 40,000 inhabitants to the population of El Paso county, of which Colorado Springs is the main distributing trade center. The county's municipalities grew in number from nine in 1896 to seventeen the following year.

Colorado Springs, founded mainly as a health resort, is 6,000 feet above sea level, and possesses a wealth of varied scenic attractions, combined with a climate, tonic, exhilarating and healing, such as can be boasted by no other resort in the United States. Wheelmen ride on its splendid avenues with comfort practically every day in the year. The average number of fair days per year is over 300. Sultry weather in summer is unknown, and rarely is it too cold in winter. Six railroads enter this city of fine public schools and a thriving college, comfortable houses, excellent town and country clubs, opera house, good hotels and boarding houses, solid banks, stately business blocks and attractive parks. Ever-living springs and snows, crowning Pike's Peak, create pure and abundant water supply. The gravelly soil affords sanitary drainage and prevents mud. Excellent sewerage system and health laws are maintained. Gas and electricity light the city, and twenty-eight miles of electric car lines carry one cheaply through the streets to mountains, cañons, or to the justly-celebrated Manitou, but five miles to the west. Colorado Springs' climate and scenic attractions have ever been from the very inception of the city highly prized by the two great classes of invalids and tourists.

An ascent of the world-famed Pike's Peak, on foot, burro, horse or carriage, or by the safe and wonderful cog steam-railroad; a drive over the magnificent mesa road to the Titanic red rocks of the "Garden of the Gods;" a charmed visit to the north and south Cheyenne Cañons and the Seven Falls; a concert at beautiful Broadmoor Casino; an excursion through Williams' Cañon, or by the Ute Pass, to the wonderful subterranean halls of the Grand Caverns or Cave of the Winds, glittering with crystalline formations; a trip to Glen Eyrie or to Blair Athol; boating on Prospect Lake; a picnic among Nature's weird stone figures of Monument Park, are but a few attractions in the near vicinity of Colorado Springs. This Pike's Peak region embraces a wealth of wonders and delights unmatched by any like area on the globe. These attractions induce, annually, between 40,000 and 50,000 tourists to visit this region, making Colorado Springs headquarters and base for supplies for excursions into the surrounding mountains and camps. As the fame of Colorado Springs extends, from year to year, the influx of tourists and health-seekers increases. For invalids with pulmonary troubles, physicians and climatologists of international fame declare, it is undoubtedly the most desirable residence city in the world.

The unusually rapid growth of Colorado Springs during the past five years is due to its proximity to the Cripple Creek gold district. It has been shown above that the population of the city increased in five years nearly fifty per cent. That these people have grown rich, during national hard times, is shown by the bank statements, which show an increase of deposits at the remarkable rate of two hundred per cent. in five years. The bank deposits aggregating $1,500,000 in 1893, now figures $4,500,000 approximately.

Perhaps no statistics could be more honest, and none better reflect the progress of Colorado Springs than those of the business of the post office. The total receipts of the Colorado Springs post office for the fiscal years ending June 30, 1876, 1886 and 1896, were respectively as follows: $15,000, $29,000,

$65,000. Each decade, therefore, has doubled its predecessor; and the business in 1897 equalled the combined receipts of the two preceding years.

The railroads have all done a thriving business in Colorado Springs, and one trunk line was wise in making this city its western terminal. Splendid trains now run here from Chicago in just twenty-four hours. Each of the six railway agents in the city states that the business of their roads here is constantly and rapidly increasing. Colorado Springs has forty-two passenger trains daily.

While Colorado Springs of old never thought to encourage manufacturing establishments, for in the early days it was prophesied the city would solely become a sanitarium of world-wide fame and patronage, the gold strike in Cripple Creek changed its destiny. Removed but two and a half miles, yet connected by building and car lines so that in reality it is a part of Colorado Springs (yet sufficiently distant for smoke and machinery not to disturb the resident of Colorado Springs proper), gold and progress are shaping the suburb, Colorado City, into a hive of industry. The Midland railroad shops there employ 650 men, with a monthly pay-roll of $40,000.

Although the rail route from Cripple Creek is yet circuitous and necessitates an ore haul over two connecting lines before reaching Colorado City, very prosperous chlorination works employing 120 men have been established there—the Colorado-Philadelphia Reduction Works. These works, costing a quarter of a million dollars, were enlarged, by force of business, before the original plans were completed. The year 1897 was their initial year, in which 56,885 tons of gold ore were treated, showing a value of $1,562,100. As stated elsewhere in this sketch these works, having a down haul from the gold fields, employing labor at less cost than in mining camps, with plenty of water and very cheap coal, are doing a splendid business. Their output is $175,000 of gold per month, and they cannot handle all business offered.

Immense bodies of lignite coal have been opened within the past two years within three miles of Colorado Springs. These coal beds, at grass roots, underlie an immense territory surrounding Colorado Springs. Coal can be had almost for the digging, and is hauled into town in wagons at the rate of twenty or twenty-five cents per ton. This coal can be mined and delivered to manufacturing institutions for $1.00 per ton. It is possible that in the near future Colorado Springs and Cripple Creek may largely utilize the coal, made into gas, for heating purposes. Tremendous water power in the mountains offers fine opportunities for electric forces, and every inducement contributes to promote the erection of reduction works and manufacturing establishments near Colorado Springs. Experts claim there is gas and petroleum to be had in Colorado City for the boring. The vivifying influence must be a direct rail route from this city of the plains to the mountain camp. Since Cripple Creek's main lines are controlled by Colorado Springs capital (it being estimated that two-thirds of these mines are owned in Colorado Springs), it seems reasonable to expect that the main traffic of the gold camp, other things being equal, should flow to and from Colorado Springs, the nearest large city, which was also the discoverer and builder of the camp.

Colorado Springs is also the main supply depot for agriculturists, cattle and sheep growers of El Paso county, which is forty miles by seventy in extent. This city is in the center of the county, geographically, which contains 57,140 acres of agricultural land; 450,941 acres of grazing land, and nearly a thousand acres of coal land. The county contains 317 miles of railroads and 450 miles of telegraph and telephone lines. The assessment rolls indicate that there are in the county 24,280 sheep, 18,479 cattle and 8,097 horses. The valuation amounts to $14,079,000, which, it should be remembered, is placed in Colorado at about one-third of the real value of the property. The assessed valuation of Colorado Springs for 1897 was $6,201,400.

The Colorado Springs Mining Exchange retains its pre-eminence in the United States, and during 1897 its volume of business was over seven and a half million dollars.

An excellent guarantee of the credit of Colorado Springs is the fact that the city's water bonds were sold, under public bid, November 17, 1897, to E. W. Rollins & Son, of Denver, at the following rate: $75,000 water bonds, par and premium of $1,675 and accrued interest, and for the $25,000 water refunding bonds, par and premium of $275 and accrued interest. These bonds are due in fifteen years, bearing interest at 4½ per cent. per annum, and last year the city was to refund its six per cent. bonds at 4½ per cent. at a handsome premium.

Colorado Springs has ninety-five miles of broad, well-shaded streets; two electric light plants and 122 arc lights on its avenues; three daily newspapers; six weekly publications; two public libraries; four banks; two building and loan associations; eight fine public schools, enrolling 4,000 pupils, and twenty-five churches.

The progress of Colorado College will illustrate the growth of the city in intellectual life, keeping pace with the remarkable material improvement. It offers exceptional educational advantages, with a faculty numbering over thirty teachers. The college occupies several fine stone buildings, some brick (altogether numbering ten), and recently received an endowment fund of $300,000. Its fine library building cost $50,000, and this year a music and art building of like importance will be erected, funds having been secured. Magnificent building stone (lime and sand stone) are quarried about six miles from the city.

While Colorado Springs has shown wonderful growth as a health and scenic resort and place of residence, and has been built up largely of a superior class of citizens, many of independent wealth, its growth has been vastly accelerated in the past five years because of the business opportunities offered by the neighboring gold fields of the Cripple Creek region. The business man from the East, sent to Colorado to benefit by its climate, may now find ripe opportunities for successful investment in mining development if desired, while residing in Colorado Springs.

There is every reason to believe that Colorado Springs will add to her population and riches in the next decade as in the past. The mining business will surely increase from year to year, for the ore of Cripple Creek is growing in richness with depth, and a large part of the gold dividends from these mines flows into Colorado Springs. The climate, the soil, the grand scenic features, constantly grow in fame and drawing power. Its society is cosmopolitan and cultivated. There has always been here a civic pride which has ever produced good results for the city, and there is no cleaner city in the country. Here is everything to attract the home-seeker, the investor, speculator and business man. There is only one Pike's Peak and but one Colorado Springs.

CRIPPLE CREEK.

From a stony cattle pasture in 1890, Cripple Creek district has developed by giant strides, and is, at this date, the greatest gold-mining camp in the Western Hemisphere.

It is located in El Paso county, Colorado, which State was the heaviest gold producer in the United States in 1897, over half of its total production being credited to the Cripple Creek district.

The greatest skeptic and the most pronounced pessimist can but admit that at no time during its brilliant history has it been so prosperous as at the present, and at no time has the future looked so bright.

The camp is to-day the scene of the greatest activity, and is without doubt the busiest spot in this Western country, and so it has been for several years past. Cripple Creek had its excitement and boom days like all other camps, but it is all solid business now and mining continues with ceaseless energy.

The Cripple Creek district is credited with a population of from 30,000 to 40,000 souls. It covers an area of about 130 square miles, and within its boundary are a number of towns now nearly connected with one another by straggling lines of small dwellings. The leading centers are Cripple Creek and Victor. For a mining camp, and especially one of such recent growth, these towns are marvels of convenience and up-to-date appointments. Cripple Creek lies in the northwest portion of the most prominent producing area, and Victor is considerably south and east of it. Both towns are connected by electric car line over which large travel is made expeditiously and comfortably. Between the principal towns are numerous small settlements—Altman, Anaconda, Elkton, Lawrence, Goldfield, Gillette, Mound City, Requa and others. With all of these the electric line connects, as well as with all the heavy producing mines of the district, to which switches are run. Here the ore is loaded on cars and from thence taken to the mills, samplers or reduction plants.

There are several electric light plants in the district, while the two larger towns have water connection with the mountains beyond, in the Pike's Peak range; well graded thoroughfares; large brick and stone business blocks; admirably appointed hotels; good newspapers; an excellent fire brigade system, and the many other minor appurtenances which go to make up a young metropolis. The camp is connected with the outer world by the Western Union and Postal Telegraph companies, which have offices in various parts of the district; and the telephone is largely used, the Bell company having no less than ten copper circuits which connect Cripple Creek directly with Denver, Colorado Springs, Pueblo, Leadville, Aspen and other points in the State.

At Cañon City, some twenty-five miles distant, an electric power plant of imposing proportions is about completed. Wires are strung, and this summer the object of the company, to furnish power for the vast amount of machinery in the camp, will be an accomplished fact. This undertaking must not be confused with the much-talked-of electric railroad from Cañon City to Cripple Creek—a proposition which, it would appear, there is very little practical necessity for and which, it seems, is destined to end in smoke. There is, however, one thing which has long been wished for and which seems to be uppermost in all minds—and that is short line railroad connection with Colorado Springs. There is a large passenger as well as freight traffic between the two points; all of the legal business of the camp, and it is quite extensive, is conducted in the courts at Colorado Springs; fully seventy-five per cent. of Cripple Creek's mines and prospects are owned by residents of the county seat, and what with the chlorination plant at Colorado City, and other proposed reduction plants to be erected at the same point, the business of such a line would be heavy indeed. For this direct railroad an anxious and expectant public, numbering fully 60,000 souls in the terminals alone, anxiously waits.

According to carefully compiled estimates gathered from reliable sources, the gold production from the Cripple Creek district to July 1, 1898, is valued at nearly $42,000,000, as follows:

1891	$200,000
1892	600,000
1893	2,400,000
1894	3,600.000
1895	7,200,000
1896	8,000,000
1897	12,500,000
1898 (six months)	7,200,000
Total	$41,700,000

These figures give a fair idea of the progress of the district, but its healthy condition is shown with equal force when the important matter of dividends is considered. In the early days of the camp it was of course all outgo, but it was not long before an income began to manifest itself. Dividends were irregular at first, but as the district came to be better understood, greater facilities were offered and more substantial mining was undertaken, the distribution of profits came with regularity. Dividends paid by Cripple Creek companies now amount to over six millions of dollars, and are heavier and more regular than before.

It is important to note that dividends paid by the companies have been accompanied by increasing reserve funds, pointing at once to the great wealth of the mines themselves as well as the conservative methods by which the companies are managed. The table below shows the prominent dividend payers of the district, giving the total amount paid by each of the companies mentioned as well as the estimated amount, in round figures, of the treasury reserves, to August 1, 1898:

COMPANY.	DIVIDENDS TO DATE.	AMOUNT IN TREASURY.
Portland	$1,537,080.00	$350,000.00
Victor	955,000.00	100,000.00
Elkton	576,960.57	100,000.00
Strong	425,000.00	100,000.00
Golden Circle	175,000.00	50,000.00
Moon-Anchor	216,000.00	100,000.00
Anchoria-Leland	144,000.00	100,000.00
Lillie	125,110.00	50,000.00
Isabella	270,000.00	100,000.00
Vindicator	87,500.00	50,000.00
Gold Coin	90,000.00	100,000.00
Totals	$4,601,650.57	$1,250,000.00

Other Cripple Creek companies have paid about $1,500,000.00 in dividends, the total to date being over $6,000,000.00.

To show the growth in the rate of dividends, as well as in the production, it may be said that in 1897 (the most prosperous year up to that time), dividends to the amount of over $1,262,000.00 were paid. For the first five months of the present year the dividends amounted to over one million dollars. The average is better than $200,000 per month, or $2,400,000 for the year. This is not far short of doubling the 1897 record—and it may be more than doubled by the end of the year.

All the companies above mentioned employ large forces of men, have handsome equipments and are credited with having enormous quantities of ore in sight. This latter is a most important topic for consideration, and is one that has not been forgotten by the mine management of the district. It would, perhaps, not be well to indulge in estimates as to the amount of ore in sight in the properties quoted, for were the figures entered, fairly and properly representing this, it is feared that they might be taken as exaggerations. It is certainly not too much to say that these mines have in sight several times the amount of ore now represented by the dividends paid and amounts held in treasury. That they have now double the amount of ore in sight that they ever took out would be an absurdly conservative estimate, but even this runs the total value of the properties into tens of millions of dollars.

It must be remembered Cripple Creek is but eight years old. The average workings in the district, from which so much wealth has been produced, are practically quite limited in depth. In a few cases some depth has been reached, but in no case to exceed 1,000 feet. Workings sunk several hundred feet have effectually proved the continuity of the ore bodies. Commenting upon this phase of the subject, Mr. Harry A. Lee, Commissioner of the State Bureau of Mines, says in his official report:

"The permanency of this district as a mining camp was, in the early days, often questioned. The developments of the past few years have removed doubts from the minds of the most skeptical. The ore bodies of the mines wholly within the outlying granite have proven persistent with depth. In the central area the veins in the breccia have been followed by development through into the underlying granite in a number of places. The conditions are here found practically the same as at higher levels. The veins are seemingly better defined, and in some cases the veins making up the so-called systems have come within closer limits, and the whole included mass, under improved conditions, can now be profitably mined."

The preceding paragraph was written before 1898 was ushered in, and since then the Commissioner's words have been proven to the hilt. A striking example of this was the opening of an ore body in Portland territory at a depth of 950 feet below the surface. The vein was known to exist, but from a comparatively narrow streak near the surface it had, with depth, widened out to several feet, and the value of the ore was greatly enhanced. Greater depth is always accompanied with greater expense in mining, yet in the face of this the Portland company has lately increased its dividend rate, and the showing is so handsome that a further increase will surely come. It is worthy of note that this company, which has paid the greatest amount in dividends, has also the largest reserve fund, makes the largest monthly distribution, has more ore in sight and richer ore at greater depth, than any other property in the district. This may appear in the nature of a string of forced superlatives, but 'tis nothing if not a statement of hard facts.

In writing of dividends mention has been made only of those declared by public companies, and the profits earned by private parties have not been taken into account. Two mines which stand out prominently as having earned for their owners enormous fortunes are the Independence and Doctor. A clear gain of $5,000,000 from these properties would not be too high a figure with which to credit the owners; and there are many mines of lesser note, among which lessees are prominent, which would help to swell the grand total by a very material sum.

The mines have made possible other considerable profits, and railroads have received a large share of the gross earnings and have been enabled to pay handsome dividends. The tonnage handled by the railroads last year is estimated at about 250,000 and the old fear among mine owners, of almost constant freight-car famines, is not yet altogether relieved. While the value of the production from the camp shows steady improvement, increase in tonnage is gaining even at a greater ratio. This is not due, as might first be imagined, to any decrease in the average value of the ore but owing to the opportunities for marketing the lower grade ores which was not possible in former years. Commissioner Lee puts the case precisely and concisely when he says:

"With the advent of railroads and local mills, the grade of ore necessary to yield a profit over expense of mining, transportation and treatment has been gradually reduced, so that ore thrown over the dump as worthless a few years ago is now marketed."

The low-grade ore question is one which constantly interests the Cripple Creek miner. With the present he is amply satisfied, and the future holds out to him possibilities which seem almost unreal by reason of their immensity. Fissures of enormous width, containing ore of low average grade, have been cut both in the deeper workings and in the surface, prospect openings. Ore bodies ranging from five to fifty feet in width, and having an average value of from $5 to $10 per ton, have been discovered in great number. Many have been developed and are ready to be produced from, and others are known to exist. Gradually the mining expenses are being reduced by the introduction of improved machinery; little by little the treatment charges have been lowered, while the facilities offered by the railroads have introduced economies not possible several years ago when the ore had to be hauled in wagons. From ore of a value of from $30 to $40 per ton, which was the lowest grade which could at first be mined at a profit, the shipping grade has been gradually reduced to $10 per ton. Every reduction in the grade saw an increase in the production, and so the round of events promises to continue. The treatment of $5 ore at a profit to the mine and the mill is by no means a vain thought, for ore of less than half that value is mined at a profit in other districts. Here the mining man is confident of the future and is assured that at no distant date his large low-grade ore-bodies will be treated at a profit. This will be brought about, principally, through the discovery of a successful method of treating the ores (probably by modification of the present methods in use) and a reduction of freight rates. This may not all come at once, but it will surely come, and by degrees a less and less valuable ore will be profitably mined. In the meantime there will be a corresponding increase in the production, but the tonnage will increase at a greater ratio and value, and it is safe to assume that by the time $5 ore can be handled at a profit the tonnage production will have increased by some 300,000 to 400,000 tons per annum.

The mining men of the Cripple Creek district look eagerly for such happy combination of circumstances. They point to the eastern base of the Pike's Peak region as the nearest and most likely spot where more reduction plants may be erected, and where direct communication may be had by shorter railway route. Such a route would at once command a major proportion of the output of the camp, while the heavy tonnage would allow of low freight rates and an immediate reduction in the treatment charges.

With the high-grade ore-bodies proven to considerable depth, and assured they extend far below present workings, the promised treatment of her vast quantities of low-grade ores at lessened charges would find Cripple Creek at the pinnacle of her fame.

Approximately, seventy companies own producing gold mines here, and twenty companies are paying dividends to stockholders. For the year 1897 the gold output of Cripple Creek about equalled the entire output of Klondike and all Alaska; while Colorado, during 1897, produced more gold than have Klondike and all Alaska in the past seven years combined. In Cripple Creek the climate permits the miner to work every day in the year, and he toils at the ore-seamed hills in the midst of comfort and civilization, bathed in continual sunshine.

Attention is directed to the complete official programme of the convention of the American Bankers' Association, appearing elsewhere in this number.

STATE BANKS OF ISSUE IN ILLINOIS.

[This essay was written by Charles Hunter Garnett, A. M., a student of the University of Illinois, in competition for a prize of $100, offered by Henry H. Harris, of the First National Bank, Champaign, Ill. The judges to whom the competitive essays were referred were unanimous in awarding the prize to Mr. Garnett.]

First Period: Before 1819.

Before the War of 1812 there was but little money in Illinois. The French communistic settlements in the territory did not need much, for they supplied their own wants and had but little intercourse with the outside world. Among themselves the skins of the deer and 'coon passed current.

At the close of the war, emigrants from the States began to come in, and brought with them both money and goods. At the same time money which had been paid to the militia during the war began to find its way among the settlers and fostered the beginnings of commerce. Most of the new settlers came from Kentucky and Ohio, and settled in the Southern part of the territory. They believe that the only thing needed for the development of the community into which they had come, was "capital," and that this could be most conveniently supplied by means of banks.

Accordingly a bank was started at Shawneetown as early as 1813, when the population of the territory was but fifteen hundred. It was incorporated in 1816 as the "President, Directors and Company of the Bank of Illinois at Shawneetown" and began business on January 1, 1817, with a charter extending for twenty years. It was to have a capital stock not to exceed $300,000, divided into shares of $100 each, one-third of which might be subscribed by the territory. As soon as fifty thousand dollars were subscribed and ten thousand were paid in, the bank might begin business. Ten dollars on each share were to be paid in gold or silver at the time of subscription, and the remainder was to be paid in notes of other banks, in such installments as the bank directors might determine, save that no installment should exceed twenty-five per cent. or be demanded without sixty days' notice. The affairs of the bank were to be managed by a board of twelve directors elected annually by the stockholders, each stockholder being allowed votes according to the number of shares held by him, but with the ratio of votes to shares decreasing as the number of shares increased. This provision was intended for the benefit of the small stockholders and distributed the votes as follows: for one share and not more than two, one vote; for every two shares above two and not exceeding ten, one vote; for every four shares above ten and not exceeding thirty, one vote; for every six shares above thirty and not exceeding sixty, one vote; for every eight shares above sixty and not exceeding one hundred, one vote; and for every ten shares above one hundred, one vote. The Governor of the territory was empowered to act as agent for the Legislature and to cast the votes to which the territory should be entitled. No one but a *bona fide* stockholder, who was a resident citizen of the territory, could be a director. Any number of stockholders not less than fifteen, who owned not less than fifty shares, could at any time appoint three of their number a committee to examine the condition of the bank and the manner in which its affairs were conducted. The bank could not lawfully hold or deal in any property other than gold, silver and bills, except what was necessary for business accommodations or might be conveyed to it in the satisfaction of debts. Its liabilities, exclusive of deposits, were never to exceed twice the amount of its paid-up capital stock. The maximum rate of discount was fixed at six per cent. per annum. Half-yearly dividends were to be declared of so much of the profits of the bank as should be deemed expedient, and once in three years the directors were to lay before a general meeting of the stockholders an exact statement of the condition of the bank. Refusal to redeem its notes in gold and silver on demand, or delay in such redemption, was prohibited under a penalty of twelve per cent. per annum on the notes defaulted, from the time of the demand until the obligations were paid.

It is not necessary to criticise this charter. It was better than many of its time. Its main defects were the limitation of the rate of interest to six per cent. and the permission to begin business on so small a capital as $10,000.

On January 9, 1818, the Acts incorporating the Bank of Edwardsville, the Bank of Kaskaskia, and the City and Bank of Cairo were approved by the Governor.

The Edwardsville bank was to have a capital stock of $300,000, one-third to be subscribed by the territory. In all essential features its organization was to be the same as that of the Shawneetown bank.

The Kaskaskia bank was to have a capital stock of $500,000, and all payments of subscriptions were to be in gold and silver. No provision was made allowing the territory to subscribe for stock. In other respects this bank was to be similar to the one at Shawneetown. It is of little consequence as it never transacted any business. Doubtless the requirement that subscriptions for the stock should be paid in gold and silver kept subscribers away, for they would not care to invest in such stock when the stock of the other banks was open for subscription and required only ten per cent. of its value to be paid in gold and silver, while the remainder might be paid in the plentiful notes of the Ohio and Kentucky banks.

The scheme for the organization of the City and Bank of Cairo was unique. It illustrates that sanguine and confident Western spirit which has produced so many Utopias, and has given birth to so many hopeful plans for the development of future great and populous cities. The preamble of the Act incorporating the city and bank sets forth in glowing terms the great natural advantages for a metropolis at the junction of the Ohio and the Mississippi rivers. By the provisions of the Act the proprietors of the land on which the proposed city was to be built were to constitute a banking corporation, to exist for thirty years under the name of the "President, Directors and Company of the Bank of Cairo." The city was to be laid off into two thousand lots, valued at one hundred and fifty dollars each, and no person could subscribe for more than ten lots. When a lot was sold one-third of the purchase money was credited to the city improvement fund, and the remainder to the stock of the bank. This latter sum was to be divided into two shares of fifty dollars each, one to go to the purchaser, and one to the original owner of the land. Every purchaser was to make a deposit of one-third of the purchase price of the lots to the credit of the Bank of Cairo in the Bank of the United States, in one of its branches, or in any convenient chartered bank. The rest was to be paid within six months. As soon as five hundred lots had been taken, thirteen directors were to be elected by the purchasers, and these directors were to appoint commissioners to carry out the city improvements. They might also increase the capital stock of the bank, not to exceed $500,000. The debts of the corporation were never at any time to exceed twice the amount of the paid-up capital. In other respects the bank was similar to those organized at Edwardsville and Shawneetown.

Both the city and the bank thus elaborately planned existed for several years only on paper. No part of the scheme pertaining to the city was ever carried out, though in the course of time the city of Cairo appeared. The promoters of the scheme even failed to pay for the land and it was finally forfeited to the Government.

"The Cairo Bank had a somewhat mythical existence until 1836, at which time it was brought into actual life for speculative purposes, issued its full quota of paper money, flourished for a time, and finally succumbed to the rough financial storms of the times." * The Edwardsville and Shawneetown banks became reputable institutions and did business for several years. Through the efforts of Ninian Edwards, then Congressman from Illinois, both of them became depositories of the public money received from the sale of public lands within the State. These funds they applied to their own use. In 1820, amid the general crash of banking institutions all over the Union, following the period of inflation and speculation which had culminated in the crisis of 1819, the Edwardsville bank failed. The United States afterwards obtained a judgment against it for $54,000 the amount of public money held by it at the time of failure, but no part of this sum was ever collected. The loss to individuals, depositors and stockholders is not known.

The Shawneetown bank had better success, for it was more skillfully managed. "By the aid of Government deposits, [it] acquired an extensive credit; issued and redeemed its bills for several years, and paid specie as late as August, 1821—a considerable time after the Kentucky banks had failed." † It was finally forced to close in 1823, but managed to pay up or compound both its public and private debts and thus save its charter. For the next dozen years it remained inactive, appearing again, as we shall see, in 1835.

The condition of the Illinois banks in 1819 is shown by the following table:

RESOURCES.		LIABILITIES.	
Loans and discounts	$206,694.32	Capital	$140,910.00
Specie	74,715.51	Circulation	52,021.00
Stocks and miscellaneous effects	6,614.00	Public deposits	119,036.92
Due from other banks	59,332.18	Private deposits	32,568.60
Real estate	175.00	Undivided profits	2,994.49
Total	$347,531.01	Total	$347,531.01

These banks had been, perhaps, as successful and useful to the community as any banking institutions could have been at that time. The State had in fact very little need of banks as yet. Its population at the time the Edwardsville and Kaskaskia banks were chartered was only thirty thousand. The capital necessary for banking could not be found at home. There existed no commerce worthy the name, no enterprises of importance, no developed system of business. Hence there was but little occasion for the exercise of the banking functions proper. The business consisted almost wholly in issuing notes. These notes, added to those sent into the State from banks in Ohio, Kentucky and Missouri, produced local inflation and promoted speculation. Houses were built and lands purchased which were in no wise needed, but which the owners expected soon to sell to immigrants at a handsome profit. Every one was in a "rage for speculating in lands and town lots," a proceeding which was called "developing the infant resources of a new country." Public lands were then selling at two dollars an acre, one-fourth cash, the remainder on five years' time. Every one who had or could get eighty dollars bought a quarter-section of land, expecting to sell it again at a profit before the remaining payments fell due. Almost all the bank notes in circulation were good at the land offices. The abundance of money also made credit easy to get. Merchants imported goods either from New Orleans by way of the Mississippi or from Pittsburg by way of the Ohio, and the people bought liberally from the stores on credit, confidently expecting that payment would be very easy as soon as the country became more thickly settled. Everybody hoped to get rich out of the future immigrant. "The speculator was to sell him houses and lands, and the farmer was to sell him everything he wanted to begin with and to live upon until he could supply himself. Towns were laid out all over the country and lots were purchased by every one on credit; the town maker received no money for his lots, but he received notes of hand which he con-

* A. T. Andreas' History of Chicago, p. 524. † Brown's History of Illinois, p. 489.

sidered to be as good as cash; and he lived and embarked in other ventures as if they had been cash in truth. In this mode by the year 1820, nearly the whole people were irrecoverably involved in debt." *

The rage for bank speculation was not, however, confined to private individuals, The State also joined in the competition. The Constitution of 1818 declared: "There shall be no other banks or monied institutions in this State than those already provided by law, except a State bank and its branches, which may be established and regulated by the General Assembly of the State as they may think proper."

In accordance with this provision the Legislature, feeling some premonitory tremblings of the coming convulsion, and wishing to provide against disaster, incorporated, March 22, 1819, the "President, Directors and Company of the State Bank of Illinois." This bank was to be a monster concern with a capital stock of $4,000,000. One-half was to be subscribed by individuals and the remainder by the State. Ten per cent. of the subscriptions was to be paid in specie or convertible bank notes; and operations were to begin as soon as $15,000 were paid in. Ten branch banks could be established. Six directors were to be elected by the stockholders and six, together with the President, by the Senate and House of Representatives on joint ballot. On account of interference in politics by the banks at Edwardsville and Shawneetown, a provision was incorporated in the charter of the new bank, that no member of the General Assembly nor any judge of the Supreme Court or Circuit Court could be a director. In its lesser details the charter was almost identical with that of the Shawneetown bank.

The attempt was a failure. Not a dollar of stock was ever subscribed, and the institution perished at its birth. Its charter was repealed in 1821.

These were halcyon days for the speculator, but their end was close at hand. The time of reckoning came with the general crash of State banks during 1819-20. There was a sudden and complete collapse of prices. The expected tide of immigration had failed to come. Lands purchased from the Government were unpaid for, could not be sold, and were likely to be forfeited. Specie had disappeared before the bank paper and when this became worthless there was no money in the country, nor sufficient commerce to bring it from abroad. Suits were brought for the payment of debts, but the scarcity of money made it almost impossible for the debtor to pay. The newspapers of the times are full of accounts of frauds, riots and robberies. So keenly was the distress felt that near the close of the year 1819 a Congressional committee noted a "change of the moral character of many of our citizens [caused] by the presence of distress." Contracts which had been entered into when prices were booming now began to mature when property was almost unsalable. By 1821 every one was clamoring for relief "from the pressure of the times." As usual under such circumstances the Government was expected to furnish the relief. Urged on every hand to ameliorate the hard times, the Legislature of 1821 revived the idea of creating a bank based wholly on the credit of the State. With its creation begins the second period of the history of banking in Illinois.

SECOND PERIOD: 1819-1831.

Acting in response to public pressure the Legislature repealed the charter of the State bank of 1819 and incorporated a new one under the name of the "President, Directors and Company of the State Bank of Illinois." This was to be owned, operated and backed by the State, the legislators apparently having become convinced that inasmuch as the Edwardsville and Shawneetown banks had both suspended payment, nothing but State influence and credit could sustain any banking institution.

The bank was to be located at Vandalia, then the seat of government, was to have a capital of $500,000, and was to continue for ten years. It was empowered to

* Ford's History of Illinois, p. 44.

receive and hold for the use of the State any kind of property to an amount not to exceed twice the capital stock, and to convey the same under the control and by the authority of the General Assembly. The State was divided into five districts in each of which branch banks were to be established.* The President and directors were to be elected biennially by the Senate and House of Representatives on joint ballot, six directors being chosen for the principal bank and five for each of the branches.

Two thousand dollars were appropriated from Treasury to defray the cost of issuing three hundred thousand dollars in notes in denominations not exceeding twenty dollars nor less than one. These notes were to bear interest at the rate of two per cent. per annum, and were payable for salaries of State officers, and receivable for all debts due the bank, the State or any county, and were to be distributed to the Presidents and directors of the branches in the several districts "in proportion to the inhabitants of each district respectively." The bank had absolutely no capital save the two thousand dollars appropriated to set it up. As soon as the branch banks received their portion of the notes they were to loan the same as fast as applied for, distributing the loans among the inhabitants as nearly as possible according to population. All loans above one hundred dollars were to be secured by mortgage on real estate double the value of the amount loaned. For sums of one hundred dollars, or under, approved personal security would be taken. No person was to be entitled to receive a greater loan than one thousand dollars, nor from any bank but the one located in the district in which he resided. All loans were to draw interest at six per cent. and to be renewable annually on payment of ten per cent. of the principal. The branch banks were to report half-yearly to the principal bank, and the latter biennially to the Legislature, which was to appoint a permanent committee to examine the bank or branches whenever it thought necessary.

The banks were to transact no business but loaning notes, "except that they may receive in exchange for their own bills and notes, land-office paper of the district in which the bank may be located, or gold and silver coins; all which exchanges shall not be made otherwise than at par." Notes could not be issued beyond the value of the paid-up capital. One-tenth of the notes was to be retired annually, and all lands, funds and revenues, present and future, of the State, its faith and credit, were irrevocably pledged for the redemption of the bank's notes within ten years. All executions on judgments then in force were stayed for nine months and might be replevied for three years thereafter unless the plaintiff would endorse on the back of the execution "that the notes or bills of the State Bank of Illinois or of either of its branches will be received in discharge of this execution." Judgments on certain contracts for money entered into after three months from the passage of the Act were to be "found due and assessed payable in the notes or bills of the State Bank of Illinois." By these two provisions the notes were given a *quasi* legal-tender character. The Treasurer of the State was to deposit all State funds in the bank and make his payments by checks on this deposit. Likewise all moneys accruing to the State from the United States for school purposes, together with all specie or land-office money that should come into the Treasury, were to be turned over to the principal bank, which was authorized to issue notes to double the amount of money so deposited. These were always to be redeemable in gold or silver coin at the principal bank. All specie received at the branch banks was to be forwarded to the principal bank.

A supplement to the above Act, making some slight changes in the bank's government and enacting stricter stay laws for the collection of debts, was passed about a week later. In fact, during its entire existence the bank was a prolific source of

* These branches were located at Edwardsville, in Madison county; Brownsville, in Jackson county; Shawneetown, in Gallatin county; and Palmyra, in Edwards county.

legislation, since at almost every session of the General Assembly either the bank or bank debtors prayed relief, while difficulties in the bank's operation were constantly appearing.

The project met with strong opposition from the start. By the Constitution of the State at that time the Governor did not have a veto on legislation, but together with the judges of the Supreme Court constituted a Council of Revision whose duty it was to examine all bills passed by the Legislature and approve them or, if any bill was objectionable, to return it with the objections in writing to the House whence it originated. When the bank bill passed the Legislature, it was returned by this council with very urgent objections. In the opinion of the council the Act violated the tenth section of the Constitution of the United States which declares that "no State shall * * * emit bills of credit; make anything but gold and silver a tender in payment of debts, etc." The bank was certainly a State institution, officered by the Legislature and backed by the credit and resources of the State. Through the medium of the bank "the State by virtue of its sovereignty and upon the faith of its credit" was to "emit paper money, redeemable by the State, at a future day." This, the council maintained, was emitting bills of credit in the sense in which it was forbidden to the States by the Constitution. At any rate these proposed bank notes would produce all the evil effects which the constitutional provision was designed to prevent. Nor did the council believe that the notes would furnish the citizens of the State "with the means of communication and intercourse with other States." They even feared that the citizens themselves could not be forced to take the bank paper. The argument that like measures had been resorted to in other States would not justify either the constitutionality or expediency of this measure; and they believed that the "embarrassments of the people" could be relieved without resort to it.

These objections were replied to very fully, though with more of assurance than of logic, by the special committee to which they were referred by the House. The committee declared that the proposed notes were not bills of credit, but rather bank notes or promissory notes; that these were not made a legal-tender but could be received or not at pleasure; that banking rights were reserved to the State by the Constitution of 1817, "which had been discussed and passed upon by the Federal Congress;" and that a measure similar to the one in question, passed in 1819, had met with approval. Besides, the redemption of these notes was sure, "depending on no contingency whatever," while the notes of private banking institutions were always insecure and generally proved to be irredeemable. And if the notes would not circulate in other States, so much the better, for then they would remain at home, answer all the needs of the people, and, when redeemed, the money paid out would go to citizens of the State.

John McLean, Speaker of the Lower House of the General Assembly, resigned his position in order to speak against the bank bill. He foretold many of the evil consequences which the bank brought on the State. In spite of McLean's eloquence and the objections of the council the bill was passed by the constitutional majority. Thereupon four members of the House who voted in the negative entered a protest on the journal by way of justifying their action. This protest is interesting as showing some of the ideas then current in regard to the power of banks to injure the public, and the extreme prejudice against all banking institutions caused by the reckless banking of the ten years previous.

The protestants, after recounting the constitutional objections to the scheme, declared that "all banking institutions, even when founded upon a specie capital, they will have a quick and easy access to every luxury and vice." The idea that a bank such as the State Bank of Illinois, based wholly on faith and paper, could exist are, in our opinion, dangerous to civil liberty—the public and private morals of our citizens." They believed that this bank would place a power in the hands of ambitious men which would "endanger the existence of our political union." The morals of the citizens would be corrupted by putting "a means into their hands whereby ten years and maintain its own and the State's credit without depreciation, appeared to them to be "an idle calculation, a visionary phantom, the acme of legislative folly, calculated to deceive the credulous, honest and industrious part of the community." The currency of the bank would tend to further the schemes of the speculator, the bankrupt, and the ambitious politician, while the bank itself would be a "hobby-horse by which some political demagogue will ride into power— * * * a curtain behind which the more artful but less daring politician will act by means of his dupes and tools without detection." The present embarrassments of the country have been in a great degree caused by banks, which "ought to teach us a sad lesson of their imprudence." And further: "No part of our citizens, either commercial, manufacturing or agricultural require any such currency."

The portion of the protest which predicted the depreciation of the bank's paper, and with it the credit of the State, and the use to which the bank would be put in serving the ends of politicians, was prophetic.

The unconstitutionality of notes such as the bank proposed to issue was affirmed sometime afterward by the Supreme Court of the United States,* although the Supreme Court of Illinois had in 1826 ruled that they were constitutional. Aside from the question of constitutionality, however, the issue of inconvertible notes was objectionable, and the worst feature of the whole measure was that which required a creditor to take these notes at par for his debt or suffer it to be replevied for three years by the debtor. This feature was re-enacted repeatedly in the form of "stay-laws" and "stop-laws" throughout the lifetime of the bank.

At first the bank was very popular. There was of course no difficulty in putting it in operation, since no capital was required. It was generally believed that its notes would be, or ought to be, accepted at the land offices the same as specie. The expectation was not realized. Moreover, most of the people really expected the bank to bring prosperity to the State. Not only did its opponents believe that it would put a means into the hands of the people "whereby they will have a quick and easy access to every luxury and vice," but judging from the dishonesty that it afterwards developed, some of its advocates thought the same and preferred luxurious vice to destitute morality.

Its officers being elected by the Legislature, the bank naturally fell into the hands of politicians, who combined ignorance and viciousness in its management. Three hundred thousand dollars in notes were issued and at once loaned with little care as to security or certainty of payment. "Every man who could get an endorser borrowed his hundred dollars." All the directors "either were then or expected to be candidates for office. Lending to everybody and refusing none was the surest road to popularity." Under the charter the bank officers had the right to become the largest borrowers, the twenty-six officials being entitled to receive $51,350, or over one-sixth of all the bank's notes. They used their right freely, either borrowing or transferring their "right to borrow, to the full limit of the law, and thus became more interested than any other class in the community, in impairing the credit of the institution, and depreciating its notes, as the means of facilitating the discharge of the debts they had contracted with it. And hence * * * those gentlemen * * * have been generally if not universally, found among the warmest advocates for depreciating those notes; scaling bank debts, and various other expedients whose inevitable effects would be, the revolting injustice of requiring the balance of the community to be taxed for the payment of their debts."† With such management it is not surprising that the bank brought only distress and disaster to the State.

No specie of consequence was ever received by the bank. One branch received

* *Craig vs. State of Missouri*, 4 Peters, 410.

† Governor's Message, 1826.

only two dollars in specie, both of which were kept as curiosities.* The notes fell to seventy cents, then to fifty, then to twenty-five, and finally ceased to circulate. No more than $300,000 were issued. The notes of the Ohio and Kentucky banks had previously driven all the specie out of the country and these notes kept it out. The people cut the new bills in pieces to make small change and for four years this paper was the only kind of money in the State. "In the meantime, very few persons pretended to pay their debts to the bank. More than half of those who had borrowed considered what they had gotten from it as so much clear gain, and never intended to pay it from the first."†

But the bank did mischief in another way. In December, 1820, the Governor had remarked in his message, upon the "flourishing condition of the treasury." He declared that a reduction of the taxes would be justified, as the funds in the treasury greatly exceeded the demands against it. In 1823 the "funds" in the treasury consisted of State bank paper worth about fifty cents on the dollar. In 1823 the State Auditor pointed out that on account of the low price of the notes of the bank, debts due the State by non-residents could be liquidated at half their value, and that people in the service of the State at fixed salaries suffered severely from the depreciation. In response to his request for action on the matter the Legislature doubled the pay of its members and of some other officials. This increase of expenditure soon emptied the treasury, and Auditor's warrants were issued in excess of the means to pay them. By 1825 the bank notes and Auditor's warrants alike had depreciated still further, $6,000 of the paper having been disposed of by the canal commissioners at the rate of 27½ cents. The Legislature made it the duty of the Auditor. Treasurer, Secretary of State, and Cashier of the principal bank to determine every month the current value of the paper of the State bank, and this value was to be the rate at which the paper should be paid out at the treasury for the succeeding month. Until these officers had fixed such a value the Auditor was to rate the notes of the bank at three dollars for one in specie. Both the notes and warrants being receivable for taxes and debts due the State, the result of the depreciation was to treble the State expenses without increasing the revenue. In 1825, $107,782 were paid out in Auditor's warrants which in good money at that period were not worth more than $35,000, at the outside. Moreover, the revenue of the State then came almost exclusively from the tax on lands of non-residents. Hence this virtual decrease in the revenue was a relief not the citizens but to the non-residents. These latter bought up the paper when it was cheapest and kept it to pay taxes.

The bank was from the start an important element in State policy and legislation. In 1824 Governor Coles recommended that it be thoroughly investigated and that some measures be taken to restore the credit of its paper. In pursuance of this recommendation an investigation was made and it was found that up to January 10, 1825, "the current expenses of the principal bank had exceeded the discounts by $2,403.90." The Palmyra and Edwardsville branches each showed a fair profit and the Brownsville branch a loss. The Shawneetown branch had been "loosely and irregularly conducted" and its papers and accounts were in a "deranged position." There appeared to be a defalcation of $4,800.76 by the Cashier, and $3,750 had been loaned in the previous October without security. No attempt was made at the time to punish the officers of the Shawneetown branch for their culpable negligence.

The Legislature enacted a law staying executions of judgments and requiring courts to render judgments on contracts, and to issue executions, payable in bank paper. It was made the duty of the Cashier of the principal bank to burn all notes on hand, and not needed for expenses, in the public square in Vandalia in the presence of the Governor and certain other officers. Notes received at the treasury and again paid out were to cease bearing interest. Auditor's warrants were made receiv-

* Brown's History of Illinois, p. 483.

† Ford's History of Illinois, p. 47.

able for bank debts. The bank was forbidden longer to receive deposits from individuals and deposits already received were to be returned to the depositors. The offices of the Presidents and directors of the branch banks were abolished and the management of these branches entrusted solely to Cashiers appointed by the Governor.

The object of this legislation was to reduce the functions of the bank as nearly as possible to the collection of its debts, and to restore the credit of its currency. In both his subsequent messages Governor Coles again recommended this policy, and, in December, 1826, advised winding up its affairs. Of the $300,000 issued by the bank $100,000 was burned prior to January 1, 1826, leaving $200,000, exclusive of interest accrued, still outstanding. Governor Edwards in his inaugural message in 1826 strongly attacked the entire banking system, and especially the management of the Shawneetown branch, alleging that the report of the investigating committee showed that there had been the "clearest moral perjury" on the part of the officers of that branch. In subsequent messages he charged specific acts of corruption upon the officers of the Edwardsville branch, and particularly upon Judge Smith, the Cashier, who, the Governor claimed, had violated every provision of the bank's charter in regard to making loans, and had been guilty of culpable negligence in their collection. In a later message the Governor made nine distinct charges of maladministration against the Cashier of the principal bank at Vandalia, and added a charge against Judge Smith to the effect that he had appropriated to his own use and still held a large amount of the bank's funds.

The men attacked were adroit politicians, prominent and influential Whigs, while the Governor was a Democrat. They formed a combination to resist the attack, rallied their friends and the friends and employees of the bank to their support, raised the cry of persecution and denounced the charges as political spite. The Whigs had a majority in the Legislature, and the charges were referred to a special committee which Governor Ford says was "packed." This committee found that some of the charges were not borne out by the facts, and the Governor retracted others. Yet much irregularity in the conduct and management of the bank was brought to light. The committee passed a resolution acquitting the bank officers of any wilful misconduct.

The legislation of the next three General Assemblies was aimed chiefly at facilitating the collection of bank debts. The expedients resorted to and the inducements offered in this connection emphasize the laxity and general indifference of the people towards paying their debts. This feeling of indifference was apparently common at that time and had been produced largely by the bank. The Legislature of 1826 passed another stay law, for three months. All defaulters in payments on bank debts were given the right to renew their loans, and judgments were to be marked satisfied on receipt of the debtor's note for the amount of the judgment. The pay of the Cashiers was reduced, and that of the President and directors of the principal bank was withdrawn.

In 1829 it was enacted that all public officers in debt to the bank should not receive their salaries until their debts were paid. Defaulters to the bank were to be allowed to pay up in three annual installments by executing new notes, one for each installment. These notes were to be accepted in satisfaction of judgments already obtained. The office of Cashier of the principal bank was abolished and its duties transferred to the State Treasurer. Debtors to the bank who would pay up before July 1, 1830, were to be released from all interest, and those who would pay before September 1, 1829, were to be allowed ten per cent. discount with the interest.

The Governor was directed to borrow all the specie of the school and seminary fund with which to meet the current expenses of the Government for the last three-quarters of the year 1830. In his report for 1830 the State Treasurer recommended that the State paper be funded into certificates of stock bearing legal interest and that a loan be negotiated sufficient to pay the Government expenses for the next two years so that the revenue during that time could be applied to the payment of interest and the principal debts. He estimated the amount of fundable State paper at $120,000, including interest. It would seem from this that the previous efforts to call in the paper had not been very successful.

It devolved upon the Legislature of 1830–31 to take measures for winding up the affairs of the bank and to make provision for the redemption of its notes, which were to fall due in the course of the following summer. The redemption of these notes meant high taxes and more debt, and was sure to raise a storm of popular dissatisfaction. Every previous Legislature had shunned the difficulty, but it could be postponed no longer. In accordance with the recommendation of the Treasurer it was provided that holders of State paper might have the same funded into six per cent. stock, interest payable semi-annually. The stock was made receivable for debts due to the State, and was redeemable at the pleasure of the State. The Governor was authorized to negotiate a loan of $100,000 to be applied to current expenses and the redemption of State paper. The Treasurer and Auditor were to issue stock for the loan, $50,000 of which was to be paid in specie or United States Bank notes, and $50,000 in specie funds, State paper or Auditor's warrants. On February 12, 1831, the Governor, the Auditor, the Secretary of State and the Treasurer, were to burn all the State paper in the treasury, whether belonging to the bank or State, and in like manner to burn all on hand the end of every quarter. In order to offset in some measure the unpopularity of the loan, debtors of the bank were allowed to May 1, 1832, to pay their debts by executing new notes; if these notes should be punctually paid interest on them was to be remitted, and if paid before December 1, 1831, six per cent. discount with the interest was to be allowed. All debts due the bank were to be turned over for collection to the Attorney-General and the State's attorneys before July 4, 1832, and the Attorney-General was authorized to sell all the bank property. In 1832 a supplementary Act was passed which directed the circuit court to cancel the debt of a deceased debtor if in the opinion of the court its collection would distress his widow or orphan children. Moreover, all debtors to the bank were to be allowed to pay their debts in three annual installments, with a remission of the interest and twenty-five per cent. of the principal. The leniency toward bank debtors proved very short-sighted statesmanship. It not only caused heavy losses in the collection of bank debts, but lowered the standard of honesty of the community and lessened the feeling of obligation on the part of the debtors generally, so that as early as 1830, perhaps, most of them had no intention of paying their loans. The leniency may be explained in part by the fact that the legislators themselves were the largest debtors.

The loan which was authorized in 1831 was secured from a Mr. Wiggins, of Cincinnati. Demagogues spread the rumor that the State had been "sold" to Wiggins, and succeeded in kindling the wrath of the people against the members of the Legislature which had authorized the loan, so that most of them were politically killed. As Governor Ford put it, "the honor of the State was saved and the Legislature forever damned."

The loss to the State during the ten year *regime* of State bank paper has been estimated at $300,000, in receiving and paying out the paper at the treasury, and $100,000 from loans which were never repaid and had to be made good by the State. In addition must be counted the injury to the public credit and the loss from the extensive issue of depreciated auditor's warrants, for which the bank legislation was responsible. Another authority places the total loss at $500,000. The loss to the people and the damage to business cannot be estimated. Specie was gone, public and private credit broken down, enterprise stagnant, and business morals corrupted.

(To be continued.)

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.

NATIONAL BANK STOCK—LIABILITY OF PLEDGEE—STOCK REGISTERED IN NAME OF CASHIER.

United States Circuit Court, District of Rhode Island, May 5, 1898.

BAKER *vs.* OLD NATIONAL BANK OF PROVIDENCE, *et al.*

A National bank to which stock in another National bank has been delivered as collateral security and transferred on the books to its Cashier in his official capacity, is not liable to an assessment on such stock.

Nor is the Cashier liable on the same.

BROWN, *District Judge:* The complainant, as Receiver of the Merchants' National Bank of Seattle, seeks to recover assessments made by the Comptroller of the Currency upon shareholders of said bank. Certain shares were registered in said bank as follows: "F. A. Cranston, Cashier Old National Bank, Providence R. I." These shares had been transferred by Abram Barker as collateral security for a loan to Barker by the defendant the Old National Bank of Providence, R. I.; Barker continuing to exercise all rights of pledgor.

The interest of the Old National Bank in said shares being merely that of pledgee, it is not liable as a shareholder for assessments, unless by estoppel. (*Pauly* vs. *Trust Co.* 165 U. S. 606, 619; *Anderson* vs. *Warehouse Co.* 111 U. S. 479–488; *Beal* vs. *Bank*, 15 C. C. A. 128, 67 Fed. 816.)

Unless, by permitting the shares to stand upon the registry in the above form, the bank has held itself out as owner, so that, upon principles of fair dealing, it is estopped, as against creditors, from asserting that it was not in fact owner, there is no ground for holding the defendant bank liable.

As the complainant contends, the present controversy is in effect between creditors and shareholders, and is a question of "holding forth." The contention that an entry in this form would convey to an inquiring creditor the impression that the bank was the actual owner of said shares seems to me unsound.

Whether we apply the test suggested by the complainant, the impression made upon the mind of the average man of business experience, or the test of the impression upon the legal mind, a conclusion drawn from either test, that the defendant bank was the actual owner of the shares, seems an unwarrantable inference.

On the contrary, though the name of the bank appended to the name of the Cashier might be held to import that the Old National Bank was interested in some way, yet, by the face of the entry, the inquiring creditor is apprised that for some reason the bank does not desire to appear as the record owner. The bill itself alleges that the shares were so registered "because said the Old National Bank of Providence, Rhode Island, was unwilling to stand in its corporate name as a registered shareholder, and said shares were registered as aforesaid to avoid the liability imposed upon shareholders by the Acts of Congress."

It is settled by *Anderson* vs. *Warehouse Co.* (111 U. S. 479–485) that the defendant bank had a right, as pledgee, to avoid making itself liable as shareholder by causing the collateral to be transferred to a third person for its benefit. We should keep in mind that a transfer by way of pledge does not deprive the creditors of a bank of their right to resort to the actual owner of the stock. (See *Hubbell* vs. *Houghton* (decided by Judge Putnam in this circuit, April 26, 1898, 86 Fed. 547.)

It also should be observed that such notice as is afforded by the words "collateral," "in escrow," "trustee," or "agent," prevents an estoppel. (*Bank* vs. *Harmon*, 25 C. C. A. 214, 79 Fed. 891; *Wells* vs. *Larrabee*, 36 Fed. 866; *Burgess* vs. *Seligman*, 107 U. S. 27; *Thurber* vs. *Bank*, 52 Fed. 513.)

The complainant's case rests, therefore, not upon the substantial grounds of actual contractual or statutory obligations of the defendant bank to the creditors of the Merchants' National Bank of Seattle, but upon an application of the doctrine of estoppel, and, as it would seem, upon a somewhat technical and arbitrary application of the doctrine. The presumption that the creditors represented by this Receiver have relied upon this registry, and have been prejudiced or influenced thereby, is surely somewhat strained. Ordinarily, an estoppel can be invoked only by one who can show an actual reliance upon the statement.

In *Burgess* vs. *Seligman*, 107 U. S. 20, 2 Sup. Ct. 10, it was said:

"If the law declares that the stock held as collateral security shall not make the holder liable, surely it must be competent to show that it is so held. And when this fact is once established, there is an end of the application of estoppel, unless it can be invoked by some party who has been specially misled by the conduct of the defendants."

In that case the statute expressly provided for the non-liability of holders of stock as collateral security. In the present case we have a statute which, according to the views of the Supreme Court in *Pauly* vs. *Trust Co.* (165 U. S. 606), is in effect the same. It may be true that, upon a suit by a Receiver in behalf of general creditors, it is impractical to go beyond the registry, or to make inquiry of each creditor as to his actual reliance upon the registry.

If practical considerations require in the present case that we should supply by a presumption a necessary element of estoppel, to wit, actual reliance upon the statement, we should at least insist that the registry upon which the presumption is based should be clear and unambiguous.

The complainant should not be permitted to build his case upon the successive assumptions—First, that the creditor knew of the registry; and, second, that, of two constructions thereof, he relied upon that most favorable to himself.

On the contrary, unless the record has *prima facie* but one meaning, we should hold the creditor to the duty of actual inquiry. He is not even presumptively entitled to rely upon an ambiguous registry. *Prima facie* uncertainty is equivalent to notice and raises the duty of inquiry.

So far as the case against the bank is concerned, I am of the opinion that the registry might well be considered an express statement that the defendant bank was not the actual owner of the stock, and if not, that at least it is ambiguous, and does not estop the bank from showing the character of its actual interest in the shares. This appearing to be merely that of a pledgee, the bank is not liable.

The quotation from *Anderson* vs. *Warehouse Co.* (111 U. S. 479–485, does not, in my opinion, warrant the inference of complainant's counsel that the registry of stock in the name of Henry, President, was regarded by the Supreme Court as sufficient to hold the corporation as a shareholder. The opinion expressly states that this fact was regarded under the circumstances of that case as of no importance.

Considering next the claim that, if the bank is not liable, the defendant Cranston, its Cashier, must be held personally liable, this does not seem a necessary alternative. The creditor, who, by legal fiction or presumption, is held to rely upon the form of the registry of the shares, must also be held to possess the knowledge that the defendant bank has only incidental powers to hold stock in another National bank. "No express power to acquire the stock of another corporation is conferred upon a National bank; but it has been held that, as incidental to the power to loan money on personal security, a bank may, in the usual course of doing such business, accept stock of another corporation as collateral; and, by the enforcement of its rights as pledgee, it may become the owner of the collateral, and be subject to liability as other stockholders. (*Bank* vs. *Case*, 99 U. S. 628.)

So, also, a National bank may be conceded to possess the incidental power of accepting in good faith stock of another corporation as security for a previous indebtedness. It is clear, however, that a National bank does not possess the power to deal in stocks. The prohibition is implied from the failure to grant the power. *First Nat. Bank* vs. *National Exch. Bank*, 92 U. S. 122, 126." (*Bank* vs. *Kennedy*, 167 U. S. 362, 367.)

Having declined to follow the argument of the complainant to the extent of holding that the registry showed that the bank was the owner (which argument, if adopted, would, of course, release Cranston from individual liability), and holding that the registry indicated, at most, that the bank had some special or qualified interest in the stock, we should consistently hold to the same view when we approach the question of the personal liability of Cranston. If the creditor is to rely upon the registry, he must read the whole of it. If it is ambiguous, and fails to indicate with certainty either Cranston or the bank as actual owner, he cannot invoke an estoppel; he must inquire or take the facts as they are. As we cannot ignore the words "F. A. Cranston," so we cannot ignore the words "Cashier Old National Bank, Providence, R. I."

In *Mechanics' Bank of Alexandria* vs. *Bank of Columbia* (5 Wheat. 326), the question was whether an act was done by the Cashier in his official or individual capacity; a check being signed, "Wm. Paton, Jr." The Court said:

"It is enough * * * that there existed on the face of the paper circumstances from which it might reasonably be inferred that it was either one or the other." This should apply with especial force when the question is one of estoppel. (See. also, *Falk* vs. *Moebs*, 127 U. S. 597, 605.)

In the present case there is much force in the argument that the inquiring creditor was fairly apprised by the entry of the actual nature of the holding. Both Cashier and bank were apparently concerned in the stock. The bank could take only incidentally. It had manifestly not perfected a title. Therefore its interest in the stock must be as a security, and Cranston, its Cashier, was presumably a proper person to whom to make a transfer by way of collateral security.

Without finding it necessary to decide upon this contention, and not acceding to the request of the defendants' counsel that the court should take judicial notice of a general custom of National banks to take collateral security in the names of their Cashiers, I am of the opinion that neither Cranston nor the bank is a shareholder or liable as a shareholder, within the meaning of the statute, and that neither is estopped by the registry from showing the actual nature of the holding.

As the bill seeks to charge the other defendants both as executors and trustees, and as the answer discloses the existence of persons directly interested who are not made parties hereto, a decision upon this branch of the case is reserved until all persons in interest are brought before the court.

The plea of the Old National Bank of Providence, R. I., and Francis A. Cranston, is allowed.

NATIONAL BANK—LIABILITY OF STOCKHOLDER—STOCK HELD AS TRUSTEE.

United States Circuit Court, Northern District of New York, May 11, 1898.

LUCAS *vs.* COE.

Sec. 5152, Rev. Stat. U. S., which exempts from liability as stockholders persons who hold stock as trustees, etc., is not limited to trustees appointed by will or by order of a court or judge.

C subscribed for stock in a National bank as trustee for H, an infant, and a certificate was issued to C as trustee for H. Afterwards, the capital stock being reduced, this certificate was surrendered and another issued in lieu thereof to C "as trustee" merely, without naming the beneficiary. The officers of the bank were advised that C held the stock as trustee precisely as in the surrendered certificate. *Held*, that C was not liable for an assessment upon the stock.

COXE (*District Judge*): The plaintiff is the Receiver of the Marine National Bank of Duluth, and brings this suit to recover of the defendant an assessment of seventy-eight per cent. upon the par value of eight shares of the capital stock of the bank alleged to be owned by the defendant. The capital stock of the bank was originally $250,000. In 1894 it was reduced to $200,000.

On October 6, 1890, the defendant, as trustee of E. Emmons Coe Hamlin, who was an infant of tender years and a grandson of the defendant, subscribed for five shares of the capital stock of the bank and received a certificate running to "E. Emmons Coe, as trustee for E. Emmons Coe Hamlin." When the stock was reduced this certificate was returned to the bank and a new one for four shares substituted running to the defendant "as trustee" merely. The officers of the bank were advised that he held this stock as trustee precisely as in the surrendered certificate. The omission of the words "for E. Emmons Coe Hamlin" was their work and not the work of the defendant. Being done by them without his knowledge, consent or suggestion it did not change the legal status of the parties. On the same day that he subscribed for the stock as trustee he subscribed for five shares on his own account, and received a certificate for five shares, and, subsequently, a new certificate for four shares, running to him individually. In July, 1894, before the bank became insolvent, the defendant surrendered this certificate and received a new one in his name "as trustee," the name of the beneficiary not being mentioned in the certificate. The consideration for this transfer was $250 paid to the defendant by F. M. Hamlin, the father of E. Emmons Coe Hamlin, who purchased the stock for his infant son.

No question is raised as to the appointment of the plaintiff, the insolvency of the bank or the validity of the assessment. It is not pretended by the plaintiff that these transactions were fraudulent or made with intent to avoid liability on the part of the defendant. The defense is that the defendant was trustee of E. Emmons Coe Hamlin, the actual owner of the shares, and that he is, therefore, exempt from liability, under section 5152 of the Revised Statutes which provides that:

"Persons holding stock as executors, administrators, guardians or trustees, shall not be personally subject to any liabilities as stockholders; but the estates and funds in their hands shall be liable in like manner and to the same extent as the testator, intestate, ward or person interested in such trust funds would be, if living and competent to act and hold the stock in his own name."

If, then, the defendant was the trustee for his grandson at the time the assessment was made, it follows that he cannot be held personally liable. Some one was the legal owner of these shares; some one is liable to assessment. In the absence of all evidence of fraud or concealment, the true situation being fully understood on both sides, it is plain that he would be liable whose property paid for the stock and who was entitled to receive the dividends and proceeds in case the stock was sold. "One who may profit by the gains of an enterprise should bear its losses, rather than that they should fall on strangers; and the statute imposing a liability on the shareholders of National banks undoubtedly rests on this." (*Beal* vs. *Bank*, 15 C. C. A. 128, 67 Fed. 816.)

The fact that the defendant is responsible and the trust *cestui que* presumably irresponsible is a matter of no moment. There is nothing requiring a shareholder in a National bank to be solvent, and these shares may be held alike by the millionaire and the pauper. The question for the Receiver in making an assessment is, who owns the shares, not who is best able to pay?

But it is argued that the section quoted refers only to a trustee appointed by a will or by the order of a court or judge. The statute does not say, and there can be no question that the relation of trustee and *cestui que* trust may exist without such formal action.

In *Mabie* vs. *Bailey* (95 N. Y. 206), it was held that a deposit of a sum of money in a bank by A "in trust for" B, who was an infant, constituted a trust which was irrevocable so far as the trustee was concerned. (*Martin* vs. *Funk*, 75 N. Y. 134; *Minor* vs. *Rogers*, 40 Conn. 512; *Hamer* vs. *Sidway*, 124 N. Y. 538.)

In the case at bar the father of the infant had in his possession a fund of $500, which had been contributed by various relations, the defendant among the rest. The father did not own this fund; he held it in trust for his infant son. When he handed it to the defendant and requested him to invest it for the infant in the same securities in which he invested his individual property there can be no doubt that the defendant held the fund, and the shares subsequently purchased, in trust for the infant. The shares were not the defendant's shares; this is manifest. The dividends were not his; if the shares had appreciated in value the surplus would not have belonged to him. Upon what theory of right should he be held responsible for the statutory liability, it being conceded that the officers of the bank had full knowledge of all the facts? If this were an action by the *cestui que* trust against the trustee for the negligent or wrongful disposition of the trust fund, an entirely different principle would be involved. The effort of the court in these cases should be to ascertain who is the actual owner of the shares and to hold him, releasing the apparent owner in all cases where he has done nothing to mislead or deceive the bank. In arriving at the true ownership the court is permitted to look beyond the books and papers and establish the truth by extrinsic evidence.

In *Yardley* vs. *Wilgus* (56 Fed. 965), the court assessed the actual owner, although the stock appeared on the books of the bank in the name of another with nothing to show that it was held for the owner.

In *Pauly* vs. *Trust Co.* (165 U. S. 606), the Supreme Court refused to enforce the Receiver's assessment against one who held the shares "as pledgee," and in *Anderson* vs. *Warehouse Co.* (111 U. S. 479), it was held that a pledgee might take the shares in the name of an irresponsible trustee for the express and avowed purpose of escaping individual liability thereon.

As to the first transaction the plaintiff seems to have entertained the opinion, in accordance with the foregoing views, that the defendant was not liable. On the 20th of July he writes to the defendant:

"E. Emmons Coe Hamlin, or you as trustee for him, or his estate, or his guardian, is liable for the assessment on the other four shares of stock standing in your name as trustee. It seems that you originally took five shares of stock for yourself as trustee for E. Emmons Coe Hamlin, that you subsequently, when called upon to surrender one-fifth of the said stock, did so, and received a new certificate running to yourself merely as trustee, but the officers of the bank were, of course, advised that you held this block of stock as trustee for E. Emmons Coe Hamlin."

He then requested the defendant to send the amount of the assessment upon the other four shares.

Regarding the July transaction the case would be very different if there were the slightest evidence that the transfer to the defendant as trustee was made with intent to avoid responsibility on his part, but there is not. The proof shows that the transaction was a *bona fide* one throughout, and that the defendant notified the bank officials who his beneficiary was. The failure to insert his name in the certificate was their fault and not the fault of the defendant. This being so the two transactions are, in principle, alike.

The authorities cited by the plaintiff proceed largely upon the theory that where a party, by his own act, appears upon the books of the bank as the individual owner of stock he should not be permitted to relieve himself from liability by proof that he holds the stock in a representative capacity. The defendant here has been guilty of no concealment and no negligence, and the court sees no reason why he should be compelled to pay a personal liability upon stock which stood in his name as trustee simply for the convenience of another, the transaction being such that he could reap no advantage and exercise over the stock no supervision, or control, except to receive and pay over the dividends to his grandson. The complaint is dismissed.

COLLECTIONS—COLLECTING AGENT TAKING SECURITY FOR ITS OWN CLAIMS.

Supreme Court of Nebraska, June 9, 1898.

UNITED STATES NATIONAL BANK OF OMAHA *vs.* WESTERVELT.

A bank holding paper for collection merely, and charged with no duty other than its due presentment, if it discharges that duty, and is guilty of no misrepresentation or fraudulent concealment, is not forbidden to obtain a preference for a debt owing to itself from the same debtor.

IRVINE, *C.* (omitting part of opinion): On the second question the argument of the Omaha Bank is that the Citizens' Bank had been made its agent to collect or secure the note held by it, and that it could not, while such agency existed, secure its own claim to the exclusion of its principal. The reply admits that the Citizens' Bank held the note of the Omaha Bank for collection, but denies that it had any authority to obtain security, and that there is no evidence that it had.

The only evidence on the point consists of the two letters from the Citizens' Bank to the Omaha Bank. The first is dated November 1, 1893, and acknowledges receipt of the note for collection, adding: "We will notify parties to-day. You can see Christ Wasmer in Omaha, as he is stopping there most of the time. Address him in Omaha, care Merchants' Hotel." The other letter is without date, but acknowledges the receipt of the letter of November 14, so that it was written after the conveyance to Hagge. It gives information as to Von Wasmer's financial condition, and advises the Omaha Bank not to make expense by employing counsel at that time.

We think this proof wholly failed to establish any such state of facts as would estop the Citizens' Bank from receiving and asserting its security. The note, so far as appears, was transmitted for collection merely, without special instructions or the Citizens' Bank assuming any special duty. It does not appear that the Citizens' Bank neglected any duty imposed upon it.

In the recent case of *Dern* vs. *Kellogg* (53 Neb. —, 74 N. W. 844), a collection agent was held liable where it took a conveyance of all the debtor's property to itself, to the exclusion of the claim it held for collection. But there the agent had grossly violated its obligations. It had held the paper for a long time and had granted time to the debtor without the knowledge or consent of its principal, and after so doing had taken the security for its own use. Its liability was traced to its disregard of duty. We there said :

"We by no means intend to hold that a bank holding paper for collection merely may not, as a general rule, obtain a preference for a debt owing to itself."

Business usage and the knowledge that the principal in such cases must be presumed to have, as to the relations which the bank holds or may hold with other business men or institutions in the community, forbid the application of so harsh a rule. It would prevent a bank's undertaking collections. So long as the collecting agent assumes no other duty than the due presentment of paper, and so long as it discharges that duty, and is guilty of no misrepresentation or fraudulent concealment, it is not forbidden to in good faith obtain security for a claim it holds in its own behalf against the debtor. (*Freeman* vs. *Bank*, 78 Iowa, 150, 622; *Bank* vs. *Naill*, 52 Kan. 211.) There is nothing in this case to take it out of the rule. Affirmed.

CHECKS—INDORSEMENT "FOR COLLECTION"—WARRANTY.

Supreme Court of Ohio, March 29, 1898.

FIRST NATIONAL BANK OF BELMONT *vs.* FIRST NATIONAL BANK OF BARNESVILLE.

1. The general rule that the drawee of a check, draft, or bill of exchange is held to know the signature of the drawer, and makes payment at his own peril, has not been modified in Ohio, except by local custom, as held in *Ellis* vs. *Trust Co.*, 4 Ohio St. 628.
2. An indorsement of a check, draft, or bill of exchange "for collection," by one other than the payee, does not guaranty that the name of the drawer is genuine.
3. Such indorsement is a guaranty that the names of the indorsers, then on the paper, are genuine.
4. An indorsement "for collection" is notice to the drawee that the indorsee is not the owner of the paper, but only the agent of the owner authorized to receive payment for him.
5. Presentation for payment of a check by a bank which is the indorsee "for collection" does not justify the drawee bank in relaxing any of its vigilance in determining whether or not the name of the drawer is genuine.
6. Where the drawer of a check has no account individually with the bank upon which the check is drawn, but has an account there, as administrator, or in some other trust capacity, it is wrong for the bank to pay the check and charge it to the trust account.
7. The bank of Belmont purchased a check drawn on the bank of Barnesville, from the payee thereof, who was known to the Cashier, and at his request the Cashier wrote the payee's name on the back of the check as a blank indorsement. The Cashier then indorsed the check "for collection," and forwarded it to its correspondent, which also indorsed it "for collection," and presented it to the drawee bank, which paid it, and charged it to the account of the drawer as administrator, as he had no individual account with the bank. About three months thereafter the check was found to be a forgery, and the drawee bank caused it to be duly protested, and gave notice to the Belmont bank, and demanded repayment of the money. *Held*, that the drawee bank was bound to know the signature of its depositor, and was negligent in charging the check to his account as administrator, and that it had no right to recover the money.

(Syllabus by the Court.)

This was an action by the First National Bank of Barnesville against the First National Bank of Belmont. From a judgment of the circuit court reversing a judgment of the common pleas for defendant, and entering judgment for plaintiff, defendant brought error.

A jury was waived and the case submitted to the court upon the amended petition and answer thereto in the court of common pleas.

Disregarding technicalities, the amended petition and answer concede the facts to be as follows:

On the 19th day of June, 1893, during banking hours, Elwood Horner presented to the First National Bank of Belmont a check for $105, purporting to be drawn by J. W. Horner on the First National Bank of Barnesville. At the request of Elwood Horner, the payee, the Cashier of the Belmont Bank wrote Mr. Horner's name on the back of the check, and, in the usual course of business gave him $105 in cash for the check. The Belmont Bank then, in the usual course of business, indorsed the check "for collection," and sent it to the People's National Bank of Barnesville; and that bank also, in the usual course of business, indorsed it "for collection," and presented it to the drawee, the First National Bank of Barnesville, and received payment during banking hours, in full, on June 21, 1893. The following is a copy of the check, with all indorsements: "No. ——. Barnesville, June 19, 1893. First National Bank, pay to the order of Elwood Horner one hundred and five dollars, $105.00. J. W. Horner." Indorsed: "Elwood Horner. For collection account of First National Bank, Belmont, Ohio. William Kinney, Cashier." "For collection for account of People's National Bank, Barnesville, Ohio. A. E. Dent, Cashier." J. W. Horner, individually, had no account with the First National Bank of Barnesville, but had an account there as administrator, and the bank charged the check to his administrator account. Upon settlement and balancing his pass book on October 6, 1893, J. W. Horner pronounced the check a forgery, and refused to allow it in his settlement with the bank. Thereupon the First National Bank of Barnesville caused the check to be duly protested on the 9th day of October, 1893, and caused notice to be served by due course of mail on the Belmont Bank that the check was a forgery, and demanded payment of the check from the bank. About the 1st of October, 1893, said Elwood Horner died, leaving an estate wholly insolvent, of which facts the Belmont Bank had knowledge when it received the notice of protest. None of the banks had any knowledge that the check was a forgery, and all believed it to be genuine.

Upon these facts the common pleas court rendered judgment in favor of the Belmont Bank, defendant below. The circuit court reversed the judgment and rendered judgment against the Belmont Bank, and in favor of the First National Bank of Barnesville, for the full amount of the check, with interest and costs. Thereupon the Belmont Bank filed its petition in error in this court, seeking to reverse the judgment of the circuit court, and asking an affirmance of the judgment of the common pleas.

Burket, J. (after stating the facts): Since the case of *Price* vs. *Neal*, 3 Burrows, 1354, decided by Lord Mansfield in 1762, the general rule has been, and is, that, when the drawee of a check or bill pays the same to a *bona fide* holder, such drawee cannot recover the money back upon discovering such check or bill to be a forgery. The drawee is presumed to know the signature of the drawer, and if, when the check or bill is presented to the drawee for payment, he pays the same, and it afterwards turns out to be a forgery, he cannot recover the money back from the person to whom he paid it. When the drawee is a bank, there is a much stronger reason for holding it to know the signature of its depositors and customers than in the case of a private individual, because banks keep a book in which are preserved the genuine signatures of their depositors, customers and correspondents.

That the general rule is as above stated is shown by the following authorities: *National Park Bank* vs. *Ninth Nat. Bank* (46 N. Y. 77); *Smith* vs. *Mercer* (6 Taunt. 76); *Wilkinson* vs. *Johnson* (3 Barn. & C. 428); *National Bank of Commerce* vs. *National Mechanics' Bank* (55 N. Y. 211); *Frank* vs. *Bank* (84 N. Y. 209); *Levy* vs. *Bank* (4 Dall. 234); Morse, Banks [3d Ed.] 463; 2 Daniel, Neg. Inst. [3d Ed.] §§ 1359, 1655; *Northwestern Nat. Bank* vs. *Bank of Commerce* (107 Mo. 402); *Com-*

mercial and Farmers' Nat. Bank vs. *First Nat. Bank* (80 Md. 11); *Deposit Bank* vs. *Fayette Nat. Bank* (90 Ky. 10); *National Bank* vs. *First Nat. Bank* (151 Mass. 280); *National Park Bank* vs. *Seaboard Bank* (114 N. Y. 28); 5 Am. and Eng. Enc. Law [2d Ed.] 1071; *Ellis* vs. *Trust Co.* (4 Ohio St. 628).

This last case fully recognizes the general rule, but the majority of the court, two judges dissenting, held that there was a local custom among banks at Cincinnati to the effect that, before purchasing bills or checks drawn upon other banks in that city, the purchasing bank should have the identity of the person offering to dispose of the paper fully shown, and make careful inquiry as to his right to the paper, and as to its being genuine, and that the purchasing bank in that case, having neglected the customary precautions, was guilty of such negligence as to make it liable to pay back the money received on the forged bills. The Court was careful to say that it was dealing only with the case then under consideration; and the right to recover back the money in that case is founded upon the local custom, and the general rule is not modified further than to hold that in view of the local custom, known to both banks, the purchasing bank was guilty of such negligence in taking the bills from an unidentified stranger as to render it liable to pay back the money when the bills turned out to be forgeries.

It is urged that, as the check was presented for payment to the drawee bank by another bank in good standing, the drawee bank had a right to presume that the check was all right, and, relying upon such presumption, it was thereby thrown off its guard, and was less careful in scrutinizing the signature to the check than if the same had been presented at its counter for payment by an individual.

A holding to this effect has been made in a few cases wherein the indorsements were unrestricted, but when the indorsement is "for collection" or "for account of," it is notice to the drawee that the bank presenting the check or bill for payment is not the owner, but only the agent of the owner, and that the money is to be remitted to the owner, back through the same channel through which the check or bill was received by the collecting bank. In such cases the collecting bank acts as the agent or servant of the owner, and the drawee bank is not justified in relaxing its vigilance.

Some years ago the practice of indorsing checks "for collection" or "for account of" had become almost universal; and when it was decided in the above cases of *National Park Bank* vs. *Seaboard Bank* and *Northwestern Nat. Bank* vs. *Bank of Commerce* that the drawee bank could not recover back the money, in the one case from the collecting bank, or in the other from the bank owning the draft, it startled the banks located in large cities, and awakened them to the dangers attending the payment of such drafts or bills; and the result was that in the year 1896 the clearing-house in the city of New York adopted a rule to the effect that its members should not send through the exchanges any paper having any qualified or restrictive indorsements, such as "for collection" or "for account of," unless all indorsements were guaranteed by the bank sending such paper. This action was soon followed by the clearing-houses in other cities, and in some of them all indorsements are required to be either in blank, or "pay to —— or order."

By this action of the clearing-houses, indorsements "for collection" or "for account of" have fallen into disuse, and the banking business of the country is now done almost universally upon unrestricted indorsements.* The decisions of the courts as to the rights and liabilities of the parties to paper with unrestricted indorsements thereon vary somewhat in different States; but in this State the general

*The objection to this form of indorsement has been removed by the Negotiable Instruments Law, which makes all unqualified indorsements, whether restricted or not, warranties of the genuineness of the instrument in all respects. (See Crawford's Annotated Negotiable Instruments Law, p. 57. See also BANKERS' MAGAZINE for August, 1897, p. 259.)

rule that the drawee bank is bound to know the signature of the drawer has not been modified further than as permitted by local custom, as in Trust Co. Case, above cited.

It is urged that the Belmont Bank, having indorsed the check, thereby guarantied that the signatures of the drawer and indorsers were genuine, and some cases are cited to that effect. (*People's Bank* vs. *Franklin Bank*, 88 Tenn. 299; *First National Bank of Danvers* vs. *First National Bank of Salem*, 151 Mass. 280.) Other cases hold that an indorser does not guaranty that the name of the drawer is genuine, but that the drawee must determine that for himself, and at his own peril. (*Bank* vs. *Boutell*, 60 Minn. 189), and cases there cited.

In the cases in which it has been held that the indorsement is a guaranty, to the effect that the name of the drawer is genuine, the indorsements were unrestricted, and therefore indicated an absolute transfer and sale of the paper.

But when the indorsement is for collection only, as in this case, it indicates on its face that the indorser remains the owner of the paper, and that his successive indorsees are only his agents for the sole purpose of collecting the paper and remitting the proceeds to him. Such a restricted indorsement does not authorize a subsequent indorsee to negotiate the paper. His only power is to collect it, and the drawee bank is bound by the notice in the indorsement. Such an indorsement is not a guaranty that the name of the drawer is genuine, but only that the names of the indorsers then on the paper are genuine. (*Mechanics' Bank* vs. *Valley Packing Co.* 70 Mo. 643, 4 Mo. App. 200; *Northwestern National Bank* vs. *Bank of Commerce*, 107 Mo. 402.) In the case now under consideration the drawer's name was a forgery, but the name of the payee indorsed on the check was genuine, having been written by the Cashier at the request of the payee.

It has been urged that, if the payee had been required by the Cashier to write his name upon the check, it might have shown that his name in the body of the check had been written by himself, and thus lead to a detection of the forgery.

But in the above case of *First National Bank of Danvers* vs. *First National Bank of Salem* the payee indorsed the check, and the handwriting was the same in both names, payee and indorser; and yet the forgery was not thereby detected, and the court attaches no importance to the fact in its decision of the case. In that case, and in the above case in 4 Ohio St. 628, and in nearly all the cases in which the money has been recovered back, the bank purchasing the check or bill took it from an unidentified stranger; and this has often, though not always, been held to be such negligence as would authorize a recovery of the money. But in the case at bar the facts do not show Elwood Horner to have been a stranger to the Cashier of the Belmont Bank, because, as soon as he was notified of the forgery, he pointed out that Mr. Horner had died only a few days before, and that his estate was wholly insolvent. He was therefore known, and required no identification, and the cases which turn upon the unidentified stranger have no application to this case.

Again, it is conceded that J. W. Horner had no individual account with the First National Bank of Barnesville, the drawee, and that the bank charged the check to his account as administrator. This was not only irregular but wrong. The bank should have refused payment, and allowed the check to go to protest; or, if it desired to favor Mr. Horner, it should have notified him that his check was at the bank, and no funds with which to pay the same. Had this been done, the forgery would have been discovered at once, and notice would have been given to the Belmont Bank, and that bank would then have had recourse on Elwood Horner, who indorsed and sold the check. Whether he was then solvent or not does not appear, and is of no importance. The bank would have had its recourse against him within three or four days after it parted with its money, and such recourse is regarded in commercial transactions as a valuable right; and of this right the Belmont Bank was deprived by the acts of the Barnesville Bank in not detecting that the name of its depositor was forged to the check, and in negligently charging it to his account as administrator.

It is therefore clear that the Belmont Bank was guilty of no negligence, and that the loss occurred by reason of the acts of the First National Bank of Barnesville, and that it would be unconscionable to permit it to recover the money back from the Belmont Bank.

The judgment of the circuit court is therefore reversed, and that of the common pleas affirmed. Judgment accordingly.

Minshall, J., dissents.

BANK PRESIDENT—POWERS—EMPLOYMENT OF ATTORNEY.

Supreme Court of California, June 14, 1898.

PACIFIC BANK *vs.* STONE.

The President of a bank has no power *ex officio* to bind the bank by the employment of an attorney.

This was an action brought by the plaintiff upon promissory notes. The defendant pleaded a contract for professional services as attorney-at-law rendered plaintiff, by which "plaintiff agreed to cancel and deliver to defendant the note set forth in the complaint, and to extinguish the indebtedness."

CHIPMAN, *C.* (omitting part of the opinion): Appellant claims, and we think rightly, that the sole question was and is: Was the acting President of plaintiff corporation vested with authority to make the contract in question without the sanction of the board of directors? * * *

It is true that Mr. Morse, in his work upon Banks and Banking (volume 1, § 143), lays down the doctrine that to take charge of the litigation of a bank is the function of the President by virtue of his office. But this doctrine is controverted by Mr. Thompson in his treatise on the Law of Corporations (volume 4, § 4620). The cases cited by Mr. Morse presented the question of the authority of the attorney to bring the action for, or to appear and defend the corporation, and in which the interests of third parties were involved. In such cases the courts presume the authority to so appear. But a distinction is made where the attorney himself sues the corporation upon a contract for services rendered.

An instructive case is that of *Bright* vs. *Cemetery Ass'n* (33 La. Ann. 58). Bright was employed by the President of defendant company to conduct certain litigation, for which the attorney was to be paid as a contingent fee one-third of the amount of the tax from which he might succeed in relieving his client. There was no evidence showing the participation of the board of directors in the contract, or any act of such board to authorize their President to enter into the alleged contract in behalf of the company. The action rested where appellant appears to place his right to recover here, to wit, upon the inherent or *ex officio* powers of the President. Section 5 of the charter of the defendant company provided that "all the powers of this corporation shall be vested in a board of directors," etc., which is the statute law of this State. The Court said:

"It is elementary that corporate bodies are artificial beings or persons, who can act only in the mode prescribed by the law creating them, or in the manner specified in their organic law or charter. It is true that, in many corporations, acts of administration in their ordinary business pursuits can, and must of necessity, be performed by the President or other authorized officer; but such authority must be provided for by special laws, or by stipulation in the charter, and must apply to well-defined acts within the essential object or objects for which the corporation was created."

After pointing out the declared objects of the defendant corporation, the Court said:

"But this power could not possibly be extended to cover such a contract as forms the basis of this suit. The record shows that the company had a regular attorney, and, in our opinion, no authority short of the action of the board of directors could justify the President to employ and retain a special attorney, outside of usual legal business, to represent the association in a litigation of great moment and magnitude, which would be rife with vital consequences to the company and would entail the payment of a large fee."

Upon the point as to when the authority will be presumed, the Court said:

"Plaintiff fails to recognize a necessary distinction, which qualifies this rule in its application, between cases where the attorney's authority to appear is to be tested with reference to the effect of their professional acts on the interest of third parties, and cases when, suing for their fees, their authority or employment is specially denied by the parties whom they represented in legal proceedings. In the latter cases they must prove a retainer or contract, as alleged, by legal evidence; and, if the alleged contract was with a corporation, the contract must be shown to have been made by the person or persons duly authorized thereto, for corporate bodies can act or contract only in the manner and form prescribed by law or by their charter."

The case was reargued on motion for rehearing, and the authorities again carefully examined, and the motion was denied. We can perceive no reason why a bank President should be clothed with *ex officio* powers greater than those of the President of any other corporation. As director he derives his authority from the same source as presidents of other corporations organized under the statute; and, as the presiding officer, his functions and powers, in the management of the corporate business, are no greater than those of any other director. (*Wickersham* vs. *Crittenden*, 93 Cal. 7.)

The statute provides that "a corporation may, by its by-laws, where no other special provision is specially made, provide for * * * (4) The qualifications and duties of directors, * * * (5) The compensation and duties of its officers." (Civ. Code, § 303.) "The corporate powers, business and property of all corporations formed under this title must be exercised, conducted and controlled by a board of not less than five nor more than eleven directors," etc. (Id. § 305.) And by Section 308 it is provided that the President of the board of directors must be one of their number, and "must perform the duties enjoined by law or the by-laws of the corporation."

We do not doubt but that authority to employ an attorney may be given to the President orally or without formal resolution by the directors, or that, where he has employed an attorney without such or any authority, the directors may orally or by conduct ratify or sanction such employment (*Pixley* vs. *Railroad Co.*, supra); nor do we doubt that the President may be clothed with such general management of the affairs of the corporation by resolution or by-laws of the directors, or by their acquiescence or consent, as would raise a presumption of authority to act in a particular case where such proofs were made.

But in the absence of all evidence of authority to employ an attorney, as was the case here, and in the absence of all evidence of subsequent consent or ratification, we must hold that the contract sued upon was unauthorized; and, in an action based thereon, he cannot recover. The case does not present an instance of a contract *ultra vires* (such as *Main* vs. *Casserly* [67 Cal. 126], for example, and like cases); for the corporation here did not assume to make the contract with defendant, as in that case. It is not the case of a corporation repudiating its contract while retaining its fruits; it is the case of an officer acting wholly beyond his powers, where there is an entire failure to show that the directors had any knowledge of the contract, or consented to it or ratified it.

It is recommended that the judgment and order be affirmed.

NOTES MADE FOR ACCOMMODATION OF BANK—ACTION BY RECEIVER.

United States Circuit Court of Appeals, Fifth Circuit, February 15, 1898.

STAPYLTON *vs.* TEAGUE.

The Receiver of an insolvent National bank cannot recover upon notes made for the accommodation of the bank.

Before Pardee and McCormick, Circuit Judges, and Swayne, District Judge:

PARDEE, *Circuit Judge:* These three cases are alike in the controlling facts, and may be disposed of in one opinion. On the undisputed facts in the case the notes sued on were given without consideration and for the accommodation and advantage of the First National Bank of Ocala. The bank had full notice of this, if it is possible to charge a bank with notice to and the knowledge of its managing officers. The bank was not an innocent holder, nor even a holder for value, and to allow a recovery in the interest of the bank would be the grossest injustice. The Receiver bringing these suits stands in the shoes of the bank. The trial judge directed a verdict for the defendants; and, as in no aspect of the case do we think the plaintiff can recover, it is wholly unnecessary to consider in detail the elaborate assignments of error. The judgments of the lower court were right and they are affirmed.

TRUST COMPANIES—POWER TO ACT AS ASSIGNEE—BANKING POWERS.

Supreme Court of Wisconsin, April 12, 1898.

ROANE IRON COMPANY *vs.* WISCONSIN TRUST COMPANY.

The Act of Wisconsin authorizing trust companies to act as assignee without bond such as is required of a natural person, is not unconstitutional.

Such Act does not confer banking powers.

The question that the capital stock was not paid in cash, but in securities, can not be raised collaterally.

WINSLOW, *J.:* On June 8, 1896, the Moore Manufacturing and Foundry Company, a corporation, made a voluntary assignment for the benefit of its creditors to the Wisconsin Trust Company, which accepted the trust, and received into its possession the property of the assignor.

The trust company is a corporation organized and existing under Chapter 158, Laws 1887, Chapter 263, Laws 1891, and Chapter 160, Laws 1895.

The trust company took no oath, and gave no bond as assignee, but had complied with all the requirements of law as to the depositing of securities with the State Treasurer. The plaintiff company, being a creditor of the assignor, thereupon garnished the trust company, and claims that the assignment is void.

The garnishee is a trust company organized pursuant to law for the purpose of acting as trustee in the execution of trusts of various kinds, and among the powers conferred on it by law it is authorized to execute the offices of executor, administrator, trustee, receiver, or assignee, and in such cases it is not required to take any oath, or give any bond or security, except in the discretion of the court, other than the deposit of a certain amount of securities with the State Treasurer. (Section 6, c. 263, Laws 1891, as amended by Chapter 160, Laws 1895.)

The principal contentions made by the appellant are that the law authorizing such companies to act as assignee without bond, such as is required of a natural person, is unconstitutional, as special legislation, conferring corporate powers, and as discriminating in favor of a class. (Const. Wis. Art. 4, § 31.)

It is also claimed that the Act attempts to confer banking powers, and hence is void, because it has not been submitted to vote of the people. (Id. Art. 11, § 5.)

That a corporation may be authorized by law to act as trustee is very well settled. (1 Beach, Trusts, § 12; 2 Beach, Trusts, §§ 674, 675; Chaplin, Exp. Trusts, § 112.)

That the law authorizing the organization of such corporations is a general, and not a special or private, law, is certain. There is no more reason for calling it a special or private law than there is for calling all of the general laws which authorize the formation of corporations for specified purposes, and with specified powers, special or private laws. The fact that it gives no bond except in the discretion of the court, but gives security by depositing securities with the State Treasurer, cannot be considered as unjust discrimination. Such reasoning would invalidate many just and salutary laws. The question is one of legislative policy. (*Loan Co.* vs. *Beebe*, 40 Minn. 7.) We have not been able to see that the Act confers banking powers on such companies. The Act itself provides that "nothing herein contained shall be construed as giving the right to issue bills to circulate as money, or buy or sell bank exchange, or do a banking business."

An attempt was made to show that certain of the subscriptions to the capital stock of the trust company had not been paid in cash, but in securities. This question could not be raised by collateral attack. The judgment dismissing the garnishment proceedings was plainly right. Judgment affirmed.

COLLECTIONS—INSOLVENCY.

Supreme Court of Nebraska, June 9, 1898.

FIRST NATIONAL BANK OF OMAHA *vs.* FIRST NATIONAL BANK OF MOLINE.

A bank at Moline forwarded to a bank in Omaha, Neb., for collection, and so indorsed, a note payable at the Holt County Bank, O'Neill, Neb. It was sent to the latter by the intermediary bank, indorsed for collection, but inclosed with a letter by which the bank of collection was instructed to credit the amount of the note, when paid, to the Omaha bank, between which and the bank of collection there had been continuous dealings and accounts during four or five years prior to and inclusive of the time of this transaction. The collection was paid and a credit given for the amount to the intermediary bank, and on the same day the bank of collection failed. Its account with the Omaha bank was at the time overdrawn. *Held*, that the Omaha bank was liable to the Moline bank for the amount of the note.

(Syllabus by the Court.)

DIRECTORS—CARE AND SKILL—LIABILITY.

Supreme Court of Mississippi, May 16, 1898.

WOLF, *et al.* *vs.* SIMMONS.

Directors of banks are to be understood as contracting for reasonable capacity, skill, and care in the discharge of their duties, and are consequently liable for the want of such capacity, skill, and care to all persons who have been damaged thereby.

TERRAL, *J.*: H. Wolf & Co., a mercantile firm of Chicago, Ill., on November 22, 1895, sold to J. Gidwitz, of Glendora, Miss., a bill of goods to the amount of $151.28. A draft for the amount, accompanied by the bill of lading of the goods, was sent to the Clarksdale Bank & Trust Company for collection, with directions to deliver the bill of lading only upon payment of the draft. The draft and the bill of lading were received by the bank and were turned over by its Cashier to Gidwitz. Gidwitz testified that he paid the bank the amount of the draft, but Broadus, the Cashier of the bank, testified that they were delivered without payment of the draft. The bank failed sometime in January following, without having paid H. Wolf & Co. the contents of the draft; and they brought this suit against the directors of the bank, individually, to recover the same.

The cause of action as contained in the written statement of it filed before the justice of the peace, is not certain and definite; yet the evidence given, and that offered but rejected by the court, disclose a purpose on the part of the plaintiffs to charge the directors of the bank on the ground of fraud.

The plaintiffs offered to prove that the bank was insolvent to the knowledge of the directors, and that some of the directors had misappropriated the assets of the bank; to show whether regular meetings of the directory of the bank had been held, and the character of the supervision given by the directors to the concerns of the bank; to show the state of the accounts between Gidwitz and the bank, and other like evidence, all of which was excluded. At common law every person undertaking to act for others is presumed as undertaking to act with integrity, diligence, and skill, and an action on the case for damages lay for a breach of such duties. (3 Bl. Comm. 165.)

Directors of banks are to be understood as contracting for reasonable capacity, skill, and care in the discharge of their duties (Morse, Banks, § 125), and are consequently liable for the want of such capacity, skill, and care to all persons who have been damaged thereby. (Id. § 128.)

Bank directors who know of the insolvency of the corporation and yet hold it out to the world as worthy of credit, and at the same time appropriate its assets to their own advantage, are said, in Thompson on Corporations, unquestionably to render themselves individually liable to all persons injured by their misconduct. (Section 4139.)

We are inclined to the opinion that the evidence offered by the plaintiffs should have been admitted before the jury. Wherefore the judgment is reversed and the case is remanded for a new trial.

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: CHICAGO, Ill., July 21, 1898.

SIR:—We would be pleased to receive your opinion on the following question: A Chicago bank received notice as follows: "Bank in my hands. Refuse further payment of drafts. (Signed) State Bank Examiner." The bank in trouble, being located in the State of Iowa, had on deposit at the time of the receipt of this notice several thousand dollars with its Chicago bank. During the day after the receipt of this notification, quite a number of drafts drawn by the Iowa bank on the Chicago bank, were presented in the regular course of business through the clearing-house. All these drafts being dated from one to six days before the date of the receipt of the notification. Should the Chicago bank pay these drafts, or refuse them? We suppose the above case will be governed by the laws in the various States. As I understand it, the law of Illinois is explicit on the subject, that after a check has been given it is the assignment of the account, and if the account at the bank is good, when presented, the check must be paid. I made inquiry of two or three banks and find that they do not agree. One bank advised me that they always refused payment of such drafts after notification. Another one said that they refused the drafts, but kept a record of them and held all the money. Still another one, that we could not legally refuse to pay the drafts.

CASHIER.

Answer.—In the Federal courts and in most of the States it would be the plain duty of the drawee bank to conform to the directions of the drawer (or, as in this case, the drawer's representative) and refuse payment. But the rule to which our correspondent refers, that the drawing and delivery of a check is an assignment of the deposit *pro tanto*, which prevails in Illinois, necessarily establishes a different practice for that State. Under this rule the duty of the bank is very far from clear; for while the holder of the check is assignee, his title may be impeached by the Receiver of the bank or by the creditors. We think the safer plan is to hold the money; and if the bank is sued by the check holders, give the Receiver notice and let him defend the suit.

Editor Bankers' Magazine: ——— ———, Mass., July 12, 1898.

SIR:—A note made by one of our customers, and presented to us for payment, is in the following form:

$500. BOSTON, June 20, 1898.

Two months after date I promise to pay to the order of Jones & Co. Five hundred dollars. Payable at W——— National Bank, C———. Value received.

Value received. A. S. Brown.

This is indorsed as follows: "Jones & Co. by E. J. J."; "Pay ——— Nat. Bank New York, or order. ——— Nat. Bank"; "Pay ——— Nat. Bank of Boston, or order ———"; "Pay any National Bank or order ———." You will notice that the first indorsement needs a guarantee, and the stamp of the New York bank does the same. Is this bank obliged to pay such note (when presented by the last holder, without a guarantee) and does the first bank, stamping same, guarantee or certify to the correctness of the same?

Answer.—We think the guarantee of the New York bank would enure to the benefit of the W——— National Bank. Indeed, this could be its only purpose; for as to subsequent holders the indorsement alone would be a sufficient warranty. Hence we do not deem it necessary that the indorsement should be further guaranteed by the bank presenting the note for payment.

Editor Bankers' Magazine: FORT ATKINSON, Wis., July 18, 1898.

SIR:—(1) A Superintendent of the Poor of this county keeps his account with a bank, not an official depository of the county, and the deposit is in no way authorized by the county board. Should he affix an internal revenue stamp to the checks drawn by him on this bank, as such officer, in disbursing his funds?

(2) Should a note, secured by mortgage, be stamped, the mortgage being stamped?

SUBSCRIBER.

Answer.—(1) The checks should be stamped as in other cases. There is no provision of the statute which would exempt them from the tax.

(2) The tax is not upon the transaction, but upon the instruments used; and the note should be stamped as well as the mortgage.

In confirmation of this view we append the following taken from the "New York Law Journal" of August 3:

"The 'Boston Herald' states that it is now in position to give answers to questions regarding the War Revenue Law, which have been addressed to its columns by many real estate men. A series of hypothetical questions were submitted to the internal revenue officials at Washington by the Herald's staff in that city, and with the answers are reproduced below. * * *

'*Question.*—Under the law both promissory notes and mortgages must be stamped. Must the note accompanying the mortgage be stamped as well as the mortgage? *Answer.*—Both must be stamped.'"

If the mortgage is for a large sum it would be advisable to adopt the New York practice of giving a bond, instead of using a note, as is done in many of the other States; for the stamp duty on the bond would be only fifty cents.

CANADIAN BANKING AND COMMERCE.

QUARTERLY REVIEW OF THE BANK RETURNS.

The second quarter of the current year bids fair to compare favorably with the preceding one in the showing of business; accumulations under the important headings have not been retarded even including the usually quiet month of June.

The month of April in this country is a sort of breathing spell between the business of the winter closing and that of the spring opening, and it is no cause for surprise when trade is less active; but this year any change noticeable is that of steady progress. This year has been an exceptional one in several respects. Navigation opened nearly a month earlier than usual, therefore activity in commercial circles followed, and thus the banking business was kept fully abreast of the showing for the preceding months.

Some have been closely scanning the reduced condition of the banks' available resources and the increased output of money in loans, and at one time feared that a tightness in the money market would be the result; but if such threatened it has been averted, and no deterrent effect in obtaining money on good security has so far been encountered.

The April statement in its general composition made a favorable showing compared with the same month in preceding years. Bank notes in circulation amounted to $35,843,651, compared with $30,814,923 on April 30, 1897—an increase of $5,028,-728. The causes given by those who give attention to these changes are said to be the rush to the Klondyke gold fields, the increased prices for agricultural products, the reduced freight rates and the proceeds of the good crops of last year.

The deposits are another factor in the returns under review indicating prosperity. On April 30 deposits payable on demand amounted to $78.196,100. On the same date 1897 the amount was $69,730,791, an increase of $8,465,309. Deposits payable after notice on April 30, 1898, were $139,997,150. On the same date one year previous the amount was $126,994,097, an increase of $13,003,053. Total liabilities of the banks were $268,619,023 on April 30, 1898, which was an increase of $25,197,957 since the same date in 1897. A steady increase is also shown in capital stock and reserve fund. Assets increased in about the same ratio as liabilities under the various headings. The amount due from banks and agencies in foreign countries April 30 was $19,527,216, an increase during the year of $3,125,650.

The increase of investment in Canadian municipal securities, etc., during the year April 30, 1898, over 1897 was $4,259,131. A like increase is shown in railway securities. These two items on the date referred to were sixteen and seventeen millions respectively. Loans on stocks and bonds were $19,034,498, an increase within the year of $5,493,934. Current loans increased during the month of April over March $4,079,749, and during the year $5,830,456. Total liabilities amounted to $358,531,075, an increase for the year of $25,173,481.

The Government returns of the banks for May usually receive but scant attention from the press in Canada. They appear in the June numbers about the same time as many of the leading banks submit their annual statements to the shareholders, which latter is a very important factor in the commerce of the country. These annual statements, made by the General Manager or President, cover the ground of the preceding year, and give the result of careful watching during the

STATISTICAL ABSTRACT OF CANADIAN CHARTERED BANKS—COMPARISON OF THE IMPORTANT ITEMS.

ASSETS.	*June 30, 1898.*	*May 31, 1898.*	*June 30, 1897.*	*Increase and decrease for month.*		*Increase and decrease for year.*	
Specie and Dominion notes	$24,497,535	$24,790,946	$24,584,894	Dec.,	$293,411	Dec.,	$87,359
Notes of and checks on other banks	9,663,728	9,609,218	8,490,673	Inc.,	54,510	Inc.,	1,173,055
Due from banks and agencies in foreign countries	21,279,953	20,504,144	21,387,820	Inc.,	775,809	Dec.,	107,867
Due from banks and agencies in United Kingdom	8,230,112	8,050,727	8,131,042	Inc.,	179,385	Inc.,	99,070
Canadian municipal securities and British provincial or foreign or colonial, other than Dominion	16,911,904	16,365,191	12,385,051	Inc.,	546,713	Inc.,	4,526,853
Railway securities	17,352,384	16,971,390	13,203,897	Inc.,	380,994	Inc.,	4,148,487
Loans on stocks and bonds on call	20,066,715	18,859,531	14,898,629	Inc.,	1,207,184	Inc.,	5,168,086
Current loans to the public	222,413,538	223,679,314	208,527,690	Dec.,	1,265,776	Inc.,	13,885,848
Overdue debts	2,855,867	2,740,951	3,534,163	Inc.,	114,916	Dec.,	678,296
Total assets	$365,634,052	$363,582,783	$335,203,890	Inc.,	$2,051,269	Inc.,	$30,430,162
CAPITAL.							
Capital stock paid up	$62,303,137	$62,302,282	$61,949,536	Inc.,	$855	Inc.,	$353,601
Reserve fund	27,555,666	27,555,666	27,070,799	....		Inc.,	484,867
LIABILITIES.							
Bank notes in circulation	$36,539,103	$36,291,760	$32,366,174	Inc.,	$247,343	Inc.,	$4,172,929
Balance due to Dominion Government	4,644,725	4,534,355	4,876,458	Inc.,	110,370	Dec.,	231,733
Balance due to Provincial governments	2,227,355	2,345,334	2,637,778	Dec.,	117,979	Dec.,	410,423
Deposits of the public payable on demand	82,313,900	80,202,015	71,466,457	Inc.,	2,111,885	Inc.,	10,847,443
Deposits of the public payable after notice	144,749,443	143,200,518	129,675,231	Inc.,	1,548,925	Inc.,	15,074,212
Deposits payable on demand or after notice between banks	2,553,424	2,721,408	2,940,414	Dec.,	167,984	Dec.,	386,990
Due to banks and agencies in foreign countries	492,502	436,028	403,529	Inc.,	56,474	Inc.,	88,973
Due to banks and agencies in the United Kingdom	3,225,326	3,781,065	2,693,051	Dec.,	555,739	Inc.,	532,275
Total liabilities	$277,407,521	$274,628,668	$247,766,150	Inc.,	$2,778,853	Inc.,	$29,641,371
MISCELLANEOUS.							
Directors' liabilities	$8,357,874	$7,727,039	$7,737,674	Inc.,	$630,835	Inc.,	$620,200
Greatest amount of bank notes in circulation at any time during month.	37,478,083	37,833,880	35,070,121	Dec.,	355,797	Inc.,	2,407,962

Deposit with Dominion Government for security of note circulation (amount required being five per cent. on average maximum circulation) for year ending June 30, 1898, $1,915,070.

period to which they apply, not only by the person who submits the facts, but by an army of branch managers and agents throughout the Dominion, who report regularly to their head office. These reports are compared and compiled, and the words uttered upon the occasion of the annual gathering of the interested shareholders are carefully scanned and studied. That is certainly one argument in favor of the branch system. Not only do these annual statements interest the bank's shareholders, but they are anxiously looked for and sought after by all classes of the business community. They deal with every branch of domestic and foreign trade. Comparisons made of the condition at the different seasons comprise a useful summary of the year's business of the Dominion; a fair estimate is also given, under certain conditions, of what may be expected within the coming year.

Of the banks whose annual statements are most interesting from the point of view set forth are Bank of Montreal, Canadian Bank of Commerce, Merchants' Bank of Canada and Bank of Ottawa.

In the preceding table the May figures follow on the same lines as those of the preceding month. The items having materially changed are: Increase in bank notes in circulation, May over April, $418,109, and for the year prior, $4,441,315. Deposits payable on demand and after notice increased $5,209,283 during the month and show an increase for the year of $23,686,866. Total liabilities increased during the year preceding May 31, 1898, $28,494,941, and aggregated $274,628,668. Total assets were at same date $363,585,782, an increase for the year of $28,889,729. An important increase is shown in current loans, amounting to $11,929,095 during the year, and over the preceding month $1,563,922. A large amount has been advanced for investment in stocks and bonds on call; the increase is shown to be $4,602,973. Of the other items it may be mentioned that a fair addition over the same date last year has been made to amounts due from banks and agencies in foreign countries, being $1,740,371.

INCREASE AND DECREASE FOR QUARTER ENDING JUNE 30, 1898.

ASSETS.	*June 30, 1898.*	*March 31, 1898.*	*Increase and decrease for quarter.*
Specie and Dominion notes	$24,497,535	$23,521,040	Inc., $976,495
Notes of and checks on other banks	9,663,728	7,937,640	Inc., 1,726,088
Due from banks and agencies in foreign countries	21,279,953	19,482,365	Inc., 1,797,588
Due from banks and agencies in United Kingdom	8,230,112	8,200,145	Dec., 29,967
Canadian municipal securities and British provincial or foreign other than Dominion	16,911,904	16,033,025	Inc., 878,879
Railway securities	17,352,384	16,883,859	Inc., 468,525
Loans on stocks and bonds on call	20,066,715	20,337,515	Dec., 270,800
Current loans to the public	222,413,538	218,035,643	Inc., 4,377,895
Overdue debts	2,855,867	3,237,576	Dec., 381,709
Total assets	$365,634,052	$355,876,759	Inc. $9,757,293
LIABILITIES.			
Bank notes in circulation	$36,539,103	$35,930,085	Inc., $609,018
Balance due to Dominion Government	4,644,725	3,561,703	Inc., 1,083,022
Balance due to provincial Governments	2,227,355	2,452,726	Dec., 225,371
Deposits of the public payable on demand	82,313,900	76,471,017	Inc., 5,842,883
Deposits of the public payable after notice	144,749,443	140,525,489	Inc., 4,223,954
Deposits payable after notice or on demand between banks	2,553,424	2,555,465	Dec., 2,041
Due to banks and agencies in foreign countries	492,502	509,463	Dec., 16,961
Due to banks and agencies in United Kingdom	3,225,326	3,353,429	Dec., 128,103
Total liabilities	$277,407,521	$266,051,460	Inc., $11,356,061

The June statement, closing the fiscal year, and the second quarterly review and the important changes will be found in the abstract given herewith. In order to give a more accurate estimate of the changes which have taken place during the time under review a comparative table of amounts on these dates is appended.

THE HAWAIIAN ISLANDS.

FACTS ABOUT OUR NEWLY-ACQUIRED TERRITORY.

The latest and fullest information relative to the newly-acquired territory of the United States, the Hawaiian Islands, has just been given to the public in a special publication by the Bureau of Statistics.

Hawaii, it is shown by this statement, at present imports almost everything she uses, aside of course from sugar, coffee and fruits, attention having been almost exclusively given to the raising of sugar, all of which, aside from that consumed in the islands, is exported to the United States. Indeed, the United States in 1896 took 99.64 per cent. of the entire exports of the islands, and supplied 76.27 per cent. of all imports, and Consul-General Haywood, in his report, expresses the opinion that in case of annexation over ninety-five per cent. of the imports into the islands would be the growth, product, or manufacture of the United States, and adds that if the American tariff were in force in the islands about $500,000 worth of imports which now enter free of duty and are bought in countries other than the United States, would be bought from this country, the free importation of fertilizers and coal alone in 1896 amounting to $466,819.

The opportunities for travel between the United States and Hawaii are described by Consul-General Haywood, who says that the bulk of the steam passenger and freight traffic between San Francisco and Honolulu is controlled by the Oceanic Steamship Company, their rates being $75 cabin passage and $25 steerage, though a number of fine sailing vessels which make regular trips between Port Townsend and San Francisco and Honolulu with limited passenger accommodations charge $40 for cabin passage. The time for passage between San Francisco and Honolulu by steamer is from six to seven days. Freight rates from San Francisco are: By steamer, $5 per ton and five per cent. primage; by sailing vessels, $3 per ton and five per cent. primage, while the rates to Atlantic ports are from $5 to $7 per ton, with five per cent. primage, and the duration of the voyage between Honolulu and New York from eighty-nine to 134 days.

On the islands there are three railroads, which, however, are used principally in carrying the products of the plantations to the various points of shipment, and aggregate about seventy miles in length.

The currency of the islands is of the same unit of value as that of the United States. The gold is all of American mintage, and United States silver and paper money is in circulation and passes at par. The Hawaiian money is paper, the paper being secured by silver held in reserve. Banks keep two accounts with their depositors, silver and gold, and checks are so worded that the depositor may specify the account from which the check is to be paid, though in case the check does not state in what currency it is to be paid, the law provides that the holder may demand gold if the amount is over $10. The Hawaiian silver money amounts to $1,000,000, of which $300,000 is held by the Government to secure a like amount of paper. The total money in circulation is estimated at $3,300,000. The rate of exchange is 1¼ per cent. on Eastern cities of the United States, and one per cent. on the Pacific Coast. Gold is at a premium of one per cent.

The annual internal taxes average $6.48 per capita, the total revenue from all sources, $2,288,070 (in 1896), expenditures, $2,187,108, and the public debt, $4,101,-174, bearing interest at five and six per cent.

Commercial travelers are, under the laws now in force, required to take out a license, costing at Honolulu for the island upon which it is located, $570, and on each of the other islands, $255.

The statement is not such as to encourage those desiring to seek employment in Hawaii. The market for all kinds of labor, it says, is overstocked, and it would be very unwise, in the opinion of the Consul-General, for anyone to visit the islands with no capital on the mere chance of obtaining employment, many of those who have so arrived being compelled to return disappointed. Wages on the plantations, including house and firewood or room and board, range from $125 to $175 per month for engineers and sugar boilers, $50 to $100 per month for blacksmiths and carpenters, $40 to $75 per month for locomotive drivers, $100 to $175 per month for book-keepers, $30 to $40 per month for teamsters. In Honolulu the rates are $5 to $6 per day for bricklayers and masons, $2.50 to $5 per day for carpenters and painters, and $3 to $5 per day for machinists. Cooks receive from $3 to $6 per week, nurses, house servants and gardeners $8 to $12 per month.

Retail prices of provisions are as follows: Hams, sixteen to thirty cents per pound; bacon, sixteen to twenty cents; flour, $2.50 to $5 per 100 pounds; rice, $3.25 to $5 per 100 pounds; butter, twenty-five to fifty cents per pound; eggs, twenty-five to fifty cents per dozen, and ice, 1½ cents per pound.

The productions of the islands are almost entirely a class of articles for which the people of the United States have in the past been compelled to send money outside of their own borders. Sugar, coffee, tropical fruits and rice, for which we send abroad more than $200,000,000 annually, are the chief productions of the islands, and while the quantity so produced amounts to less than one-tenth of this sum, it is believed that it may be materially increased, and to this extent our expenditures for this class of articles be, in future, kept within our own borders and among our own people.

Of sugar, of which it is said the Hawaiian Islands are much more productive in a given area than those of the West Indies, the exportation increased from 294,784,-819 pounds in 1895 to 520,158,232 pounds in 1897, and for 1898 will, it is expected, be considerably in excess of last year. Of coffee the exportation increased from 8,051 pounds in 1891 to 337,158 pounds in 1897; of rice the exportation increased from 3,768,762 pounds in 1895 to 5,499,499 in 1897, and in pineapples the increase was equally striking.

In the matter of imports, as above indicated, nearly all of the necessities of life, aside from sugar, fruits and vegetables, are imported, the products of the United States being given the preference in nearly all cases.

UNIFORM BANKING LAWS.—By the enactment in several States of a uniform law in respect to negotiable instruments substantial progress has been made in the work of simplifying and unifying the laws of the country. The movement might well be carried forward until it embraced general laws on the subject of banking.

There is no just reason why a bank depositor in one State should be any less secure than another depositor in a different State. It may be answered that the people of the respective commonwealths have the right to regulate their own affairs, but a little reflection will show that banks can not fail in one State without causing a shock to the banks of other States and perhaps to those of the whole country.

So far as legal enactments can ensure that result the banks of every State should be equally sound. Though it may seem somewhat advanced to suggest the propriety of uniform banking laws at this time, it will not be long until the absurdity of the diversities in these laws will be plainly recognized and a reform demanded.

OUR FOREIGN COMMERCE.

The story of the foreign commerce of the United States in the year of her greatest exports has just been completed by the Bureau of Statistics in its monthly "Summary of Finance and Commerce," which presents the details of the imports and exports in the fiscal year ending June 30, 1898.

It shows that the exports to all parts of the world increased both in manufactures and products of agriculture, and that while there was a great falling off in imports, the reduction was almost exclusively in manufactured articles and food products. Manufactured articles ready for consumption fell from $184,375,126 in 1897. and $145.274,089 in 1896 to $82,570,687 in 1898; articles of food and live animals fell from $245,166,197 in 1897 and $237,025,045 in 1896 to $181,480,011 in 1898, while "articles of voluntary use, luxury, etc.," fell from $88,098,970 in 1897, and $98,824,154 in 1896 to $77,452,561 in 1898. On the other hand articles required by the manufacturers and classified as "articles in a crude condition for use in manufacturing," of which the 1897 imports were $214,916,625 and those of 1896 $209,-868,717, amounted in 1898 to $204,543,917, forming in 1898 over thirty-three per cent. of the total importations, while in 1897 they were but twenty-eight per cent. and in 1896 twenty-seven per cent. of the total imports, showing a large relative increase in the proportion which these articles used in the domestic industries bore to the total importations. Manufactured articles for use in the mechanic arts formed in 1898 about the same percentage of the imports that they did in 1896 and 1897.

The exportations of manufactures, which amounted to $288,871,449 in 1898, exceeded those of 1897 by $11,586,058 and those of 1896 by $60,800,271; while the products of agriculture exported amounted to $854,627,929 in 1898 against $683,-471,181 in 1897 and $569,879,297 in 1896, the chief increase in agricultural exportations being in breadstuffs.

The exportations of the year increased $180.836,694 and the importations of the year decreased $148,725,253, the comparison being made in each case with the preceding fiscal year 1897.

To Europe the exportations increased $160,313,645, while the importations from Europe decreased $124,100,391. To North American countries the exportations increased $14,676,828 while the importations from the North American countries decreased $14,752,130. To South America the exportations increased but $58,825 while the importations from South American countries decreased $15,295,879. To Asia the exportations increased $5,549,363 while the importations from Asia also increased $5,300,440, Asia and Oceanica being the only grand divisions from which we increased our purchases during the year.

The following table shows the total exports to and imports from the countries named in the fiscal year 1898 compared with the preceding year:

	Imports.		*Exports.*	
	1897.	*1898.*	*1897.*	*1898.*
Europe	$430,192,205	$306,091,814	$813,385,644	$973,699,289
North America	105,924,053	91,171,923	124,958,461	139,635,289
South America	107,389,405	92,093,526	33,768,646	33,821,971
Asia	87,294,597	92,595,037	39,274,905	44,824,268
Oceanica	24,400,439	26,859,220	22,652,773	21,991,381
Africa	9,529,718	7,193,649	16,958,127	17,357,752
Total	$764,730,412	$616,005,159	$1,050,998,556	$1,231,329,950

FOREIGN BANKING AND FINANCE.

The Condition of Spanish Finances. The condition of Spanish finances is far from satisfactory from the standpoint of sound economy, and the regulations adopted to curtail interest charges abroad are doing much to alienate the sympathy of foreign financiers. The Government continues to pay interest in gold upon Spanish securities held abroad, but is paying only depreciated Spanish money in Spain, and has recently published a decree requiring many formalities, by way of affidavit and proof, of the foreign ownership of securities. This decree excited so many criticisms that the time for presenting securities held abroad for certification was extended from June 30 to July 10, but this has not diminished the irritation of the holders of Spanish bonds. Another step which has excited even more acute criticism is the passage of a law providing for the payment in pesetas, *i. e.*, in Spanish depreciated money, of the interest on the Cuban debt, without regard to its ownership. The reason assigned for this action is that the Treasury of the Island is not able to collect the necessary receipts destined to the payment of interest, and the bondholder is left to infer that payment in gold will be resumed when Spanish sovereignty is undisputed over Cuba. This policy is of special significance, because it seems to intimate that the Cuban debt is not an obligation of the home Government of Spain, but rests absolutely upon the revenues of the Island.

Far-seeing financiers in Spain continue to urge that the Government make peace in order to escape financial ruin. A long list of new charges took effect on July 1, most of them simply increasing the rates of existing taxes. Their effect is summed up by the Madrid correspondent of "*L'Economiste Européen*" in that journal for July 8, in the declaration that there is an increase of ten per cent. in the taxes affecting real estate, agriculture, salaries paid by the Government, the provinces and municipalities, the charges for judicial proceedings, the honorary appointments of ministerial offices, upon the interest and sinking fund of the interior debt, the income from negotiable securities, the *octroi* taxes, and the salt tax. There is an increase of twenty per cent. in the industrial and commercial contributions, the taxes upon successions and transfers, mines, titles of nobility, the free ports, the contributions accepted by the Basque provinces and Navarre, pleasure carriages, customs taxes, cordials, distilled liquors, foreign sugar, colonial produce, transportation lines and the stamp taxes. The personal income taxes are increased thirty per cent. of the present amount. The correspondent of the French journal, after reciting these increased burdens, expresses wonder how a country already impoverished and half ruined can support such charges. He declares that misery is everywhere, that the most necessary commodities are at enormous prices, and that the mills can no longer continue their operations. The editor of "*L'Economiste Européen*," in his weekly review of the money market, discusses the proposition to issue paper money in Spain as follows :

"At Madrid exchange is at eighty-five per cent. The rumor is abroad that the Government intends to issue 500,000,000 pesetas in paper money. If this news is confirmed, it means the definitive ruin of Spain. The United States were able to issue paper money during the war of secession, which lost more than sixty per cent. in value, but which after the peace was partially retired, and that remaining in circulation raised to par. But the United States have resources which are totally lacking to Spain, and she would be wrong in seeking such lessons from her more fortunate adversary. If the Government, rather than resign itself to an absolutely necessary peace, plunges into the worst financial speculations, it may be predicted that the loss of her colonies and her repeated defeats will be for Spain the least of the evils to which she will be subjected. Every one knows what the *assignats* cost France. They will cost Spain still more, for France had a resource in the national wealth, and Spain has nothing."

Regulating the Stock Exchange in France.

The new regulations for the Government of the Paris bourse were promulgated by the Government and took effect July 1. There was some expectation that the project endorsed by the Chambers would be abandoned as the result of the fall of the Méline cabinet, but this did not prove to be the case. The new regulations provide a syndical chamber for the government of the bourse, which is required to guarantee the execution of contracts by all of the privileged brokers (*agents de change*); increase the number of privileged brokers from sixty to seventy, and reduce the rates of brokerage. These propositions cover the regulations governing the old privileged body of *agents de change*. The *coulisse*, or unofficial body of brokers which has grown up in defiance of old laws, is not destroyed, but its power to do business is considerably modified by the new regulations.

Prof. Paul Leroy-Beaulieu, in "*L'Economiste Français*," of July 2, criticises the requirement that the *agents de change* shall be held to corporate liability, because he says that the more enterprising brokers will be restricted by the timidity of the most cautious, who will control the syndical chamber. "If the *agents de change*," he says, "constituted only a part of the market and had beside them, as until now, another center of affairs, free and active, this extreme prudence on the part of the *agents de change* would have few inconveniences, but now that the *coulisse* is to be, if not entirely destroyed, at least limited and subordinated, it may have unfortunate consequences." Prof. Leroy-Beaulieu does not consider the increase of the number of the official brokers sufficient, if they are to control the entire volume of stock exchange dealings, nor does he consider the reductions in brokerage rates altogether happy. He has often recommended the reduction of rates upon *reports*, but regards the old rates as sufficiently light upon cash transactions and those involving actual delivery. The rates upon *reports* have been such that they have not been negotiated upon the bourse, but have practically been transformed into loans upon securities, without the guarantee of a broker, by the great credit establishments.

The Government has promulgated, along with the regulations of the official market, a decree regarding the application of the tax upon negotiable securities, which has a direct bearing upon stock exchange transactions. This decree is as liberal as the law permits and admits the right of direct negotiation of securities by the owner without employing an intermediary. The coupons of corporations which have not established an accredited representative in France, giving guarantees for the payment of the taxes, cannot be officially paid, but may be purchased severally by French houses. This exception "whips the devil around the stump" in a manner which will probably prevent the transfer of a large volume of profitable business from Paris to London, Brussels or Geneva. The new regulations are more stringent regarding the issue and official sale of foreign securities on the Paris market. Such issues cannot be made until after the creation of a French representative, who gives guarantees for the payment of the ten per cent. tax upon the annual dividends and the transfer tax. Prof. Leroy-Beaulieu declares that Frenchmen will continue to buy and sell these securities, but will do it upon the London market, and that the French Government will be no richer for imposing burdens upon the free transfer of negotiable securities in Paris.

The Brazilian Funding Scheme.

The energetic efforts of Mr. Campos Salles, the recently elected President of the Brazilian Republic, who has been studying financial methods in Europe, have resulted in an arrangement with the Rothschilds of London for the refunding of the heavy liabilities of his Government and the effort to strengthen the rate of exchange. The plan is necessarily a readjustment which lightens the burdens of Brazil and takes something from the nominal rights of the bondholders, but it is declared by the London "Bankers' Magazine" that "It must have been obvious to bondholders for some time past that with the exchange at only about one-fifth of the par value of the currency gold payments on the foreign debt could not long be continued."

The plan announced by Messrs. Rothschild is in some respects similar to that adopted by the Argentine Government. A feature of the Brazilian scheme, however, which should commend itself to the bondholders, is the provision which has been made for the deposit in London of paper money equivalent at the fixed exchange to the funding bonds as issued, in order to insure the reduction of the redundant currency.

The Brazilian Government, it is announced in the published notice, has decided to fund for three years, from July 1, 1898, to June 30, 1901, the interest on the external debt, on the four and a half per cent. internal gold loan of 1897, and also certain amounts payable annually for railway guarantees. The Government has accordingly authorized Messrs. N. M. Rothschild & Sons to issue an amount not exceeding £10,000,000 in nominal capital of five per cent. funding bonds specially secured by the customs revenue. The sinking funds and redemption of the loans will be suspended for thirteen years from July 1, 1898. The five per cent. funding bonds will be specially secured by the Rio de Janeiro customs revenues, on which they will be a first charge after provision has been made for the amount required for interest and repayment of the £2,000,000 five per cent. Treasury bills issued in January, 1898, which are repayable at the rate of £500,000 every six months, the first amount being due on July 1, 1898. The bonds will also be secured by the customs revenues of the other ports of the Union, should the Rio de Janeiro customs at any time prove insufficient. According to the official returns, the customs revenues of the Federal capital amounted, for the year 1897, to 92,000 contos of reis, equivalent, at the exchange of 7d., to £2,683,-333, and at the exchange of 8d. to £3,066,666. The total customs revenues of the Union, including the above, amounted to 244,000 contos of reis, equivalent at the exchange of 7d., to £7,116,666, and at the exchange of 8d. to £8,133,333.

On and after January 1, 1899, and *pari passu* with the issue of funding bonds, the Government will deposit in Rio de Janeiro, in trust with the London and River Plate Bank, Limited, the London and Brazilian Bank, Limited, and the *Brazilianische Bank fur Deutschland*, the equivalent of the bonds, in current paper money at the exchange of 18d., and the paper money equivalent to the bonds issued from July 1 to December 31, 1898, will be deposited in the same manner during a period of three years commencing January 1, 1899. The paper money deposited will either be withdrawn from circulation and destroyed, or when the exchange is favorable, will be applied in the purchase of bills on London in favor of Messrs. N. M. Rothschild & Sons, to be placed to the credit of a fund towards the future payment in gold of the interest on the loans and the railway guarantees.

The redemption of these bonds by means of the sinking fund will commence at the end of ten years from June 30, 1901, but the Government reserves the right to pay the principal at par at any time. This plan has excited some criticism among European holders of Brazilian bonds, but on the whole seems to be regarded as representing substantially all that could be expected.

M. Edmond Théry, in discussing the economic situation in Brazil, recommends that the federation hereafter collect customs dues in gold at the rate of exchange prevailing just prior to their collection. He argues that this will at once furnish the Treasury with a gold fund and will arrest the speculation for the fall of exchange which has been carried on so extensively at Rio. It will hereafter be for the interest of merchants to speculate for a rise of exchange rather than a fall, because a rise will permit them to purchase the gold necessary for customs payments with a smaller quantity of Brazilian paper money than when exchange is depressed. The favorable effects of the new project are indicated by the rise of exchange which has already taken place from 5 11-16 pence to seven pence.

The Economic Situation in Germany.

The economic situation in Germany continues to be somewhat unsettled, in spite of large accumulations of capital, the increase of banking activity, and a discount rate of three per cent. at the Imperial Bank. It is announced by well-informed correspondents in Berlin that the Bank does not contemplate an advance of its rate at present, in spite of some scarcity in circulating capital, but that an advance to five per cent. will probably be made at the end of the summer.

The action of the bourse law has been to transfer dealings in securities to the big banks. They have profited by the upward movement of securities and the activity in handling them, and are in many cases increasing their capital.

The *Breslauer Disconto Bank* is about raising its capital from 30,000,000 to 40,000,000 marks. It is the fourth large Berlin bank which has taken this step since the beginning of the year, the National Bank having made an increase of 15,000,000 marks, the Darmstader Bank 25,000,000 marks, and the Berlin Bank 10,000,000 marks.

These various increases have raised the aggregate capital of the Berlin banks from 769,000,000 marks at the close of 1897 to 829,000,000 marks ($207,000,000) at the present time, and the reserves would carry the amount to 1,000,000,000 marks.

Notwithstanding these outward indications of prosperity, there has been a hardening of the money market which threatens to arrest activity in stocks and to depress their price. One of the large banking houses has issued a circular letter, recommending its clients to lighten their holdings of industrial securities because of the condition of the market. Importations of gold have taken place from London and Paris to satisfy the most urgent demands, but the circulation of the Imperial Bank towards the close of June was 27,500,000 marks larger than at the same date in 1897, and the metallic reserve was 56,600,000 marks less than at that time. The hunger for industrial securities paying high returns, moreover, is diverting the public from the Government securities, which pay only two per cent.

The syndicate charged by the Saxon Government with placing 52,000,000 marks ($13,000,000) in three per cent. bonds has been obliged to postpone the placement until 1899. They have not been able to persuade the public to take the entire loan. The City of Bremen also has been obliged to increase from three to three and a half per cent. the rate of its new loan.

The Berlin correspondent of the London "Economist," in discussing the economic situation, in the issue of July 2, says:

"Proofs have been furnished in abundance that the three per cent. type is not only not popular, but that it is actually insufficient to meet the wants of investors in this country. Germany has acquired enormous wealth during the last twenty-five years, but the accumulation of wealth is not so great that people who had drawn four per cent. and not long ago even five per cent., will be content with three per cent. They consequently go into 'operating,' in order to earn more, and so far the majority state that they have done well, because everybody imagines he can shift what he bought at high prices at still higher prices to his neighbor."

Two important announcements were made in the closing days of June, after the election of the new Reichstag, regarding the financial policy of the Government, in a journal supposed to reflect the views of the Administration. One of these announcements was that the Government was not favorable to the ownership of the Imperial Bank by the State, and that no member of the Administration was committed to it. The other declaration was that there was no disposition to change the existing monetary system. These announcements, made in advance of the meeting of the new Reichstag, appear to be intended as a warning that socialistic and bimetallic propositions will not receive the sanction of the executive powers.

Country Banks in France.

An interesting account of the Country Bankers' Association of France (*Union des Banquiers des Departments*) is presented in the London "Bankers' Magazine" for July. The association contains 182 banks and bankers, which carry on business in no less than sixty-six of the eighty-six French departments. Some of these banks have several branches, one of them as many as eighteen, including the head office. Regarding the operation of the French country banks the "Bankers' Magazine" says:

"These branches are in some cases situated in quite small towns, almost villages. In this respect the working of French country banking appears to correspond in great degree with the business as carried on in this country, but there are a good many differences in detail between the French banks and their English contemporaries. So far as we can learn, correspondents in Paris are not universal—even if they are general, but French business is not centred in Paris to anything like the same extent as English business centres in London. Nor is information given as to whether current accounts and drawing cheques in payment of small transactions is encouraged, or whether more attention is given to deposit accounts, and what rate of interest is allowed on them. In some instances the work is carried on by associations of the nature of limited companies. but the greater part is conducted by private firms, occasionally by individuals. The names of widows and of sons occur not unfrequently, showing the hereditary character of the business. A good many of the banks appear to have been established for a considerable time."

The French country bankers are complaining, like those of other European countries, of Government competition. It is not the postal Savings banks, however, to which they are raising the most objection, but the banking business done by the country Treasurers and disbursing officers. In his official capacity as one of the principal officers of the Treasury, the *Trésorier-payeur-général* superintends the operations of the receivers and collectors; he collects and gathers together the money intended to keep up the supply in the Treasury chest; he provides the means for the periodical payments ordered to be regularly made from the Treasury chest, and renders an account of its operations to the *Cours des Comptes*. In his private capacity he does business as an individual, or as a banker who employs his credit and his business connection on behalf of the Treasury. It is very easily intelligible how public officials, holding such a high position and with large funds at their disposal, may compete seriously with private banks. These banks also complain that these officials do not pay the *patente*, or license duty, which falls heavily on them.

The French country banks appear to be fairly prosperous, notwithstanding these drawbacks, and a prize of 5,000 francs was offered at the conference of the association last December for the best essay on "The Advantages of Country Banks."

The Economic Condition of Japan.

Japan seems to be going through an experience, as the result of the payment of the Chinese war indemnity, similar to that of Germany after the payment of the French indemnity of five milliards. Speculation has been greatly fostered, prices have risen, imports have exceeded exports, and the Bank of Japan has been steadily losing gold. The gold reserve, which amounted at the close of 1897 to 98,302,709 yen ($49,000,000), and at the close of January to 94,000,000 yen, fell during February and March 20,000,000 yen. There was another loss of 8,000,000 yen during the first two weeks of April, and the reserve at the close of the half-year was only about 50,000,000 yen. It is declared by the "London and Chinese Telegraph" that for the first three months of the current year the excess of Japanese imports over exports rose to 32,000,000 yen ($16,000,000), and that at this rate the balance of trade against Japan will be 80,000,000 yen at the end of the year. If this is balanced in gold, the Bank of Japan will be almost denuded of its reserve. The public policy of Japan, it is declared, has moved in a vicious circle, the large amounts employed in public works having the inevitable result of raising prices and promoting imports. Japan has witnessed within a year an unusual development of commercial and industrial enterprises, the extension of limited liabilities companies, the deficit of the rice crop, and frequent increases of the discount rate at the Bank of Japan. Money has become so scarce that some of the most conservative banks are offering high interest rates upon deposits. This policy, with a high discount rate at the Bank of Japan, may arrest the export of gold and retain foreign capital in the country.

Calls for Capital in Great Britain.

The appeals for capital during the past six months in Great Britain have reached the large sum of £86,211,000, which is £10,000,000 more than was offered in new securities in the corresponding period of 1897. The figures are swollen by the inclusion of the whole of the Greek and Chinese indemnity loans which were offered simultaneously in several markets, and only a portion actually subscribed in Great Britain. The new securities offered in the first quarter of 1898 were £48,054,000, and in the second quarter £38,157,000. The figures for the corresponding quarters of 1897 were £28,116,000 and £47,777,000. The total applications for the whole of the year 1897 were £157,289,000, as compared with £91,835,000 in 1894, £104,690,000 in 1895 and £152,807,000 in 1896. The Chinese and Greek loans were the only issues by foreign governments during the half-year, and no Colonial loans have been offered during the past three months, though the total at the end of the first quarter reached £3,843,000. Investors have not displayed that keenness for securities of the highest class which was so marked a feature of the investment market two or three years ago. British municipal loans have not, consequently, been in great favor, and have not come out in any large numbers, the total for the six months being £3,152,000, and of this nearly one-half was accounted for by a single issue of Liverpool Corporation stock. The classification of the demands for capital during the six months shows the issue of foreign government loans to the amount of £19,430,000; Indian and Colonial Government loans, £3,843,000; British railways, £8,024,000; foreign railways, £7,148,000; breweries and distilleries, £6,481,000; merchants and manufacturing business, £9,845,000; stores and trading companies, £3,620,000; companies to acquire patents, £3,297,900; docks, harbors and shipping, £2,558,800. The London "Economist," in discussing the general features of the new demands for capital, in its issue of July 2, says:

"British railways appear for a much larger sum than usual, which is not because the new capital raised has been abnormally large in amount, but that the issues have been made in a more public way than the method frequently adopted. An evidence of the cautious attitude of investors is offered by the failure of the Great Northern and City Railway to raise its capital at the second attempt, and the small subscription to an issue of London, Chatham and Dover debenture stock.

The leading feature of the half-year's flotations is the large number of industrial companies. Breweries and distilleries are again very prominent among these, the capital appeals from that trade amounting to £6,481,000. A large portion of that was in the form of debenture issues by existing companies, while a considerable sum, as to the ultimate return upon which the prospect is dubious, has been offered for subscription by companies taking over Scotch whisky distilleries. The item of 'merchants and manufacturing business,' of course embraces a large field of industrial enterprise, and the prospects for a large portion of the sum subscribed under this head—fortunately, it was not all subscribed—must be regarded as very doubtful. It includes, however, a sum of £2,666,668 for the fine cotton-spinning combination, and £800,000 for Mr. Hooley's United Ordnance Company."

The National Bank of Bulgaria.

The National Bank of Bulgaria, in spite of unfavorable economic conditions in that country, afforded profits for 1897 of ten per cent. upon the capital and reserves. The total of profits and losses upon the business of the year was 6,695,758 levs, equivalent to about $1,325,000 at the gold parity. The expenses at the central office at Sophia were 4,333,654 levs and the total expenses at Sophia and all the branches 5,440,051 levs, leaving a net profit of 1,255,707 levs. Three per cent. of this amount went to the employees of the Bank and the remainder was covered into the public Treasury, which furnishes the capital of the institution. All classes of transactions increased during 1897, the aggregate of business being 1,589,465,146 levs, an increase of 156,792,999 levs over 1896. Regarding the general situation in Bulgaria "*L'Economiste Européen*," in discussing the bank report, says:

"It is well known that the year 1897 was a critical one for Bulgaria. Frequent and excessive rains, which flooded the entire country, almost completely destroyed agricultural products, which form its principal means. Because of this great evil, which was only too keenly felt by the population and exercised an unfavorable influence upon the economic situation, the National Bank of Bulgaria, as the most important institution of credit, was compelled to respond to pecuniary demands which were felt from all sides, and to satisfy its numerous clients. The figures of the operations of the Bank plainly show that the institution conscientiously fulfilled its task, supporting and sustaining with its powerful resources the credit of merchants, manufacturers, mechanics, and private establishments of credit. It is not necessary to speak here of the part which the Bank took in the maintenance and consolidation of the credit of the State."

Banking and Financial Notes.

—The modern mania for savings has reached the Rand district of South Africa. Mr. William Grant, who was a long time native Commissioner of the Labor Department of the Chamber of Mines, is to be manager of a Savings bank whose only customers will be natives. The working capital has already been subscribed and Mr. Grant believes that the natives will readily be taught to use the bank instead of carrying about their savings in cash, subject to the temptation of spending it for debauchery or of robbery on their way from Johannesburg to their interior homes. It is quite common for the natives who work in the gold mines to save $150 to $200, but their saving is discouraged by the dangers referred to, and even labor in the mines is lessattractive because of the danger of robbery when the savings are taken home.

—A new bank at Fiume, with a capital of 1,000,000 florins ($400,000) is about to be established by the Commercial Bank of Buda Pesth and the Hungarian Commercial Company. The new bank is intended not to limit itself to banking business only, but to do business in goods, and to attend to imports and exports on a large scale. The bank will be constituted at the end of June, and will begin its work immediately. The shares will not be offered in the market. C. A. C.

MODERN BANKING METHODS.

A NEW SERIES ON PRACTICAL BANKING—HELPFUL POINTS DERIVED FROM EXPERIENCE.

[First of a series of papers on the above subject prepared by an expert banker. To be illustrated with numerous practical forms.]

I. STARTING THE BANK.

The very first thing to be decided in starting a bank is whether the bank is needed. This is no doubt a trite observation; and yet more mistakes are made by starting banks where they are not needed than in any other way. Usually it is not made in selecting a town where the business is too small to support a bank, but in establishing another bank where such facilities are already adequate. Over-competition has practically destroyed banking profits in many localities. Therefore, before starting a bank, be *sure* that it is needed.

Having become satisfied, after diligent investigation, that the business of a particular locality requires a new bank, the next question of importance for the mover of the enterprise is to select the men whom it is desirable to interest in the organization. Naturally the men who have capital will be the first to suggest themselves; but it is well not to lose sight of the fact that character is also a most desirable constituent of those who are starting a bank. Some men bear such high reputations that they are known to be incapable of associating themselves with anything unworthy of public support. Such men will add strength to a bank, though their moneyed capital may not be large.

Under any possible system of laws, the officers of a bank may wreck it; laws for safe-guarding depositors are wise and beneficial, but in the last resort the bank must stand or fall on its management—the men who own and run it.

Great care, then, should be exercised in selecting those who are to be the stockholders of the bank, for it is here that the controlling power lies.

When enough good men can be interested—say ten or twelve—a preliminary meeting should be called, and a spokesman selected to explain the reasons for launching the bank, its prospects for success, who are expected to take stock, and who will probably constitute its board of directors and officers.

One of the first things to do is to comply with the National and State laws. Instructions in regard to the organization of National banks will be furnished by the Comptroller of the Currency, and the State Bank Superintendent, or other officer charged with the supervision of banks in the respective States, will supply blanks and give instructions for organizing a State bank.

The importance of starting right suggests the propriety of having a legal adviser, so that all laws relating to incorporation may be fulfilled.

Next in order, and in fact beginning with the first meeting, are the books necessary to the prudent management of a bank.

Bank Bookkeeping.

In every line of business the necessity for keeping a careful record of the transactions is apparent to all business men. In fact, the success or failure of a business has often depended upon the degree of care that has been exhibited in keeping these records.

If this fact is unquestioned in the general business world, how much more should it apply to the business of banking? Some may ask, why should it apply more particularly to the banking business than to others, to which I will answer that there is no business that concerns a whole community as much as that of banking. To the bank come the laborer and wealthy man bringing their spare money, having confidence that when it is deposited there it will be cared for and will be ready for them at any time on demand. Furthermore, these deposits are seldom in money, about ninety-five per cent. being made in individual checks or orders upon other banks, which the bank collects for its depositors. The bank thereby becomes a collection agency, and not merely by the collection of these checks or orders, for it collects innumerable bills against parties all over the country by means of drafts which have been placed in the bank for collection.

The bank loans money to those who can furnish the necessary security, thereby promoting the business interests of the community. Through its correspondents it furnishes a cheap and safe means for the transmission of money to all parts of this country or of the civilized world.

The well-managed bank is therefore a necessity and really a public benefactor in every community; and to be well managed requires a thorough, systematic method of keeping the various records.

Books Should Be Clear and Simple.

There is not, and should never be, anything complicated about the methods of keeping bank accounts. In fact they should be as simple as clearness and completeness of record will allow. Every transaction should be so recorded as to be self-explanatory, so that no confusion can arise by the sudden removal of any members of the force by death or otherwise. The accounts should also be kept so carefully as to bear the closest investigation at any time. The accidental destruction of a mail-car and consuming of the mail by fire, has more than once caused trouble to banks by forcing them to procure duplicates of the various kinds of paper destroyed. The bank whose records were clear and complete could readily do this, but loss has more than once been entailed upon others where this condition did not exist.

In no business is it more necessary that each day's transactions be recorded with completeness than in a bank. Some banks have a custom of entering their discounts once a week, some only twice a month. Some post their ledgers only once a week. Such practices cannot fail to bring unsatisfactory results and sooner or later will cause trouble. No matter how few the transactions, clean them up each day.

Importance of Getting the Right Kind of Clerks.

In keeping the records of the business of a bank so much depends upon the men who are to perform the daily work, the clerical force, that a few words regarding them will not be out of place.

However good and systematic the methods may be, unless the men who are to perform the work are of the right stamp the methods will be of little value.

The necessary qualifications for a bank clerk are rapidity, accuracy and care. To these should always be added strict integrity, a freedom from habits of dissipation of all kinds, and gentlemanly manners. Customers often ask questions that seem absurd, or make annoying requests, and much of the good will of the bank often depends upon the tact and courtesy with which these requests are answered.

The clerks have some claims upon the bank, or its managers, that should not be overlooked. A faithful, competent clerk has the right to expect appreciation, and it should not be denied him. If the financial condition of the bank does not warrant advance in salary, the kind word goes a long ways and is always encouraging. Even from a business point of view it pays.

POINTS AND RULES TO BE OBSERVED.

Rules for the management of the clerical force of a bank are important, the larger the force the greater the importance. Among the most important rules is promptness—promptness in *everything*. No bank can be satisfactorily managed without a strict adherence to this rule.

Clerks should not be allowed to leave the bank at the close of the day before a balance is struck, as it frequently occurs that a difference will be found to exist which necessitates an examination of the work. Every clerk should be obliged to take a vacation every year. This is as much a safeguard to the bank as a benefit to the clerk, as any irregularities in the work of that department are likely to be discovered by the clerk temporarily in charge. Smoking behind the counter or desks during business hours should never be allowed. It is exceedingly unbusinesslike and brings with it an air of carelessness, and carelessness in any form should be foreign to the banking business.

Neatness and cleanliness, both in the work and in the personal appearance of the employees, are always to be desired, and should be insisted upon. First impressions are often hard to overcome, and slovenly surroundings in a bank may turn away more than one good customer.

LIST AND DESCRIPTION OF BOOKS REQUIRED.

The books of record of a bank may vary to a certain degree according to circumstances, but there are certain books and methods which are applicable to most banks. These are as follows: The minute book, stock certificate book, stock register and transfer book, stock ledger, general ledger, general cash book (or journal as sometimes called), daily statement book, draft register, certificate of deposit register, cashier's check register, individual ledger, check and deposit scratchers, offering book, discount register, note tickler, discount or credit ledger (sometimes called liability ledger), collection registers (foreign and domestic), collection ticklers, tellers' cash balance books (first teller and second teller) and dividend book.

THE MINUTE BOOK.—In considering the use of these books we will begin with the minute book, as that is in use even before the bank is in running order. No special form is used for this book, an ordinary record book being all that is needed. In this book should be very clearly and explicitly recorded the full proceedings of the meetings of both stockholders and directors. In many large banks a separate minute book is kept for each, and wherever this can be done it will be found of advantage. The minutes of the stockholders' meetings are written by a secretary appointed for the time, and should show the time and place at which the meeting is held, and the full proceedings regarding the organization of the bank; a copy of the by-laws and constitution as passed by the meeting; a full record of all elections of directors, detailing the names of those voting and the amount of stock represented by each, both personally and by proxy; the action of the meetings upon any special questions, such as the increase or decrease of the capital stock, change of name or location, or of charter, the question of liquidation, etc. The regular meetings of the stockholders are held annually. Called meetings for action upon special matters can be held upon the call of the board of directors, notices being sent thirty days in advance. As there are often non-resident stockholders it is considered best to send notices by mail to each stockholder, rather than simply publishing a notice of the meeting in the daily papers. At the meetings for the election of directors, if a bare majority of the whole number of shares is present and voted, the action is legal; but upon all special questions, such as the increase or decrease of the capital stock, a vote of two-thirds of the capital stock is necessary.

In voting by proxy the National Banking Act provides in Section No. 5,144, that no officer or employee of a bank shall act as proxy (a director being considered an officer). The usual form of proxy used is as follows:

FORM OF PROXY.

Know all men by these presents, that I, ..., do hereby constitute and appoint ...., attorney and agent for me, and in my name, place and stead, to vote as my proxy at any and all elections of directors of ...., according to the number of votes I should be entitled to vote if there personally present.

In witness whereof, I have hereunto set my hand and seal this ...... day of ...., one thousand eight hundred and ......

....

Sealed and delivered in the presence of
....
....

The records of the meetings of the directors are usually written by the Cashier, who generally acts as secretary of the board. These records should show the time and place of the meeting, the names of those present, and in case of absence of the President, who acted in his place. They should also show, at least in aggregate, the amount of loans passed upon or authorized, the offering book showing these in detail; all action of the board upon any special questions, and all resolutions in full.

When an examination is made into the affairs of the bank by a committee of the board of directors, the original report of the committee, properly signed, should be posted in its proper place in the minute book, and any action of the board regarding the same should be carefully noted.

The election of officers and the amount of salaries to be paid them and to employees, should always be noted, also the amount of bond required from each.

It is customary for the Cashier to take his notes of the meeting of the board upon blank paper, and later to copy them, or have them copied in the minute book.

If they are not written in the minute book by himself it is advisable to retain the original memoranda, properly filing them away, as in more than one instance, to my knowledge, have the courts refused to admit the minute book as testimony in important cases where the records have been written by a clerk from the original memoranda, which had afterwards been destroyed.

The custom of using the margin at the left hand of the page of the minute book for the making of notes regarding any special action of the board, will be found an excellent one, and of great assistance frequently.

It will be seen from the above that there are few books in the bank of more importance than the minute book. In fact it may almost be called the foundation stone, and the necessity for exercising great care in the writing of its records is in reality a legal obligation.

BANK BOOKKEEPING.

OBJECTIONS TO SYSTEM GENERALLY IN USE.

The method of bookkeeping adopted by many banks is that known as the "combination method;" that is, a book with three colums showing respectively debit, credit and balances. I am very much opposed to this method, particularly when applied to individual accounts, for the following reasons:

1st. These books have usually not more than five lines between names, and if a customer draw twenty checks in one day, four of the largest ones are entered separately and the aggregate of the other sixteen is entered on the fifth or last line. In some banks using this method, no record other than noted above is made. Occasionally a bank is found using an auxiliary book with the combination method, showing name, etc.

A dishonest customer can, therefore, destroy one of the checks included in the aggregate and claim that no such voucher was returned to him, and should the case go to a jury, it would be a question of veracity between the bank and the customer, and the chances that the jury would find for the defendant.

2d. Examining committees appointed by banks, usually men of high character and standing in their community, are seldom expert accountants, and to many of them this combination system is as unfamiliar as any of the dead languages, because figures only are used, no explanation being given.

In my testimony as an examiner made to a United States attorney and a grand jury, showing the crooked entries in the books kept by the combination method, figures only being used on these books, I have admitted that the only proof of the false entries was that sometimes used in mathematics, viz.: Nothing else could be true. In other words, where false entries have been made in the combination method, it will take an expert of experts to trace them all out.

3d. Suppose that for some reason, and a very probable supposition, it is deemed necessary to have an itemized statement of each deposit and check on a certain day, showing names and amounts separately; by the combination method it would be necessary to open a book sometimes five feet long, when open, and two feet wide, and turn leaf by leaf from A to Z.

Thus far I have been iconoclastic only; therefore I will change to what, in my opinion, is the proper method of bookkeeping, particularly for individual accounts.

How to Keep Individual Accounts.

A book for each deposit and check (in a small bank one book will answer), the deposits being on one side and checks paid on the other; each deposit made and check paid during the day should be entered separately in the column to the left of the extension column so that the amount shown in the extension column will show the total deposits and checks paid by each customer during the day. The individual bookkeeper will post the separate amounts in the extension column to the individual ledger, thus doing away with the individual cash journal; the general bookkeeper will carry the total of deposits and checks paid during the day to his journal.

For individual accounts there should be also a one-column balance book, showing balances daily, and a three-column ledger with debit, credit and balance column showing balances daily. It will be noticed that all the information that is possible to be given in relation to individual accounts is to be found in this deposit book, check paid book, individual balance book and the individual ledger, and all work of examining these books can be done without interfering with the work of the general bookkeeper. By this method a person of only average experience in bookkeeping can discover almost any error or false entry.

It is claimed by some that the method last described is a much longer one than the short cut provided by the combination method. It is true, some time is gained *at the time* by the combination method, but this gain is lost afterwards when information is required of some particular account.

Another book I have found by practice to be very convenient and essential is the discount blotter. This book should show the bills receivable balance, the amount of each note paid and discounted, and the balance daily. There should be a column for each item of interest received and paid, entries to be made on this blotter as each transaction occurs. This blotter kept in this manner contains a complete history of bills receivable, and from this book a discount register can be written up.

Many banks use debit and credit slips for discounts made and paid. The objection to this method is the slips are easily misplaced or blown away, petty stealing in interest, and false entries in amount of loan can be made, which it will be difficult for any one to detect, except an expert. GEO. N. STONE.

NEW YORK STATE BANKERS' ASSOCIATION.

PROCEEDINGS OF THE FIFTH ANNUAL CONVENTION, HELD AT NIAGARA FALLS, N. Y., JULY 22 AND 23, 1898.

The New York State Bankers' Association assembled for its fifth annual convention at the International Hotel, Niagara Falls, N. Y., on Friday, July 22, 1898, President A. B. Hepburn in the chair. The proceedings in detail follow.

FIRST DAY'S PROCEEDINGS.

THE PRESIDENT: The hour has arrived for calling this convention to order, and we will open our proceedings with prayer by Rev. A. S. Bacon, of the First Presbyterian Church, of this city.

PRAYER.

Let us look to God for his blessing.

Almighty and most merciful God, our heavenly Father, Thou hast brought us to this hour, surrounding us with circumstances of mercy and evidences of thy love unto us. Thy watchful care has been over us in the night watches. Thou hast been with us as we have gone to the affairs of business, and as we have transacted that which Thou hast given us to do.

As we have drawn aside this morning we pray that Thou wilt enlighten our hearts, that Thou wilt strengthen our wills, that Thou wilt give us heavenly wisdom, so that we may transact the business of this convention to the praise of thy holy name and to the good of our fellow men.

We bow before Thee acknowledging that Thou art the author and giver of every good and perfect gift. Thou hast watched over us as a nation, Thou hast guided us in days gone by, and we pray this morning that thy blessing may rest upon us as a nation. Bless Thou the President of these United States and all who are in authority. Endue with heavenly wisdom those who guide the affairs of State. Grant, O Father, to give us such wisdom and such grace that out of these trying times we may come the purer, the nobler and better. To this end we pray Thee that Thou wilt not only bless those in authority, but we pray for the army and navy. Be with our forces to-day, and we pray that as they wait the bidding of those who are over them, that strength and wisdom may be given, and when the call shall come again to arms, grant that they may not be found wanting.

We pray that Thou wilt not only bless our native land, but bless the land with which we are in conflict. Hasten the glad day when righteousness shall prevail, and let evil and war and sin soon be done away with. Grant that the King of Peace may be the king of all lands, and that the Lord Jesus Christ may be honored.

We pray again for thy blessing to rest upon those men who are gathered here in this convention. Grant that as they transact their business they may devise such plans that being worked out they may advance the interests they represent.

We pray that a time of recreation, rest and refreshment may come to them, and as they gaze upon the beauties that surround us here, grant that back of the voice of the many waters there may come that still, small voice of God, and if troubles and temptations and sins have come to them, grant that his still, small voice shall speak peace to their troubled hearts.

Thus wilt Thou lead and guide us all, making us faithful in the discharge of every duty, until at last our duties on earth are ended, and grant that then we may be gathered to sing thy praises in heaven.

To Thee, the Father, Son and Holy Spirit, will we give all praise now and ever more, Amen.

PRESIDENT HEPBURN'S ANNUAL ADDRESS.

The year has been a prosperous one for this association, as will fully appear from the reports of the secretary and treasurer.

The last fiscal year has indeed been a remarkable one, alike from economic and political


Charles Adsit, Prest.
John B. Dutcher, Vice Prest.
George W. Thayer, Treas'r.
W. I. Taber, Secy.

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[illegible] that Thou wilt not only bless our native land, but bless the land with which we [illegible] the day when righteousness shall prevail, and let evil and war [illegible] with. Grant that the King of Peace may be the King of all lands, [illegible] Christ may be honored.

[illegible] thy blessing to rest upon those men who are gathered here in this convention, [illegible] as they transact their business they may devise such plans that being worked out they may advance the interests they represent.

We pray that [illegible] of recreation, rest and refreshment may come to them, and as they gaze upon the beauties that surround us here, [illegible] back of the [illegible] of the many [illegible] may come that still small voice of God, and if troubles and temptations are [illegible] to them, grant that his still small voice shall speak peace to their troubled [illegible]

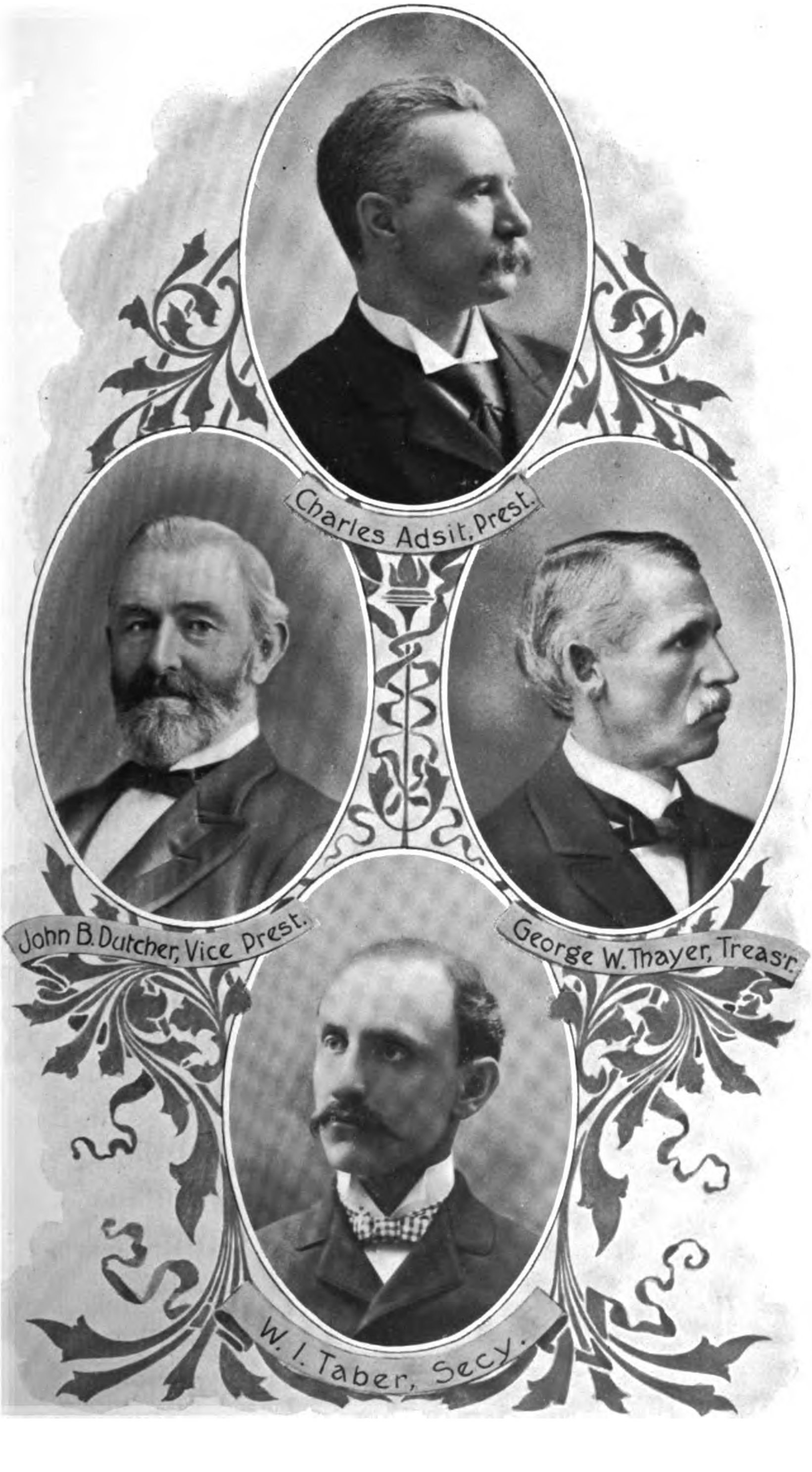
[illegible] Thou [illegible] guide us [illegible] making us faithful in the discharge of every duty, [illegible] earthly [illegible] ended, and grant that then we may be gathered [illegible]

[illegible] the Son and Holy Spirit, will we give all praise now and ever more.

PRESIDENT HEPBURN'S ANNUAL ADDRESS.

[illegible] prosperous one for this association, as will fully appear from the report [illegible] treasurer.

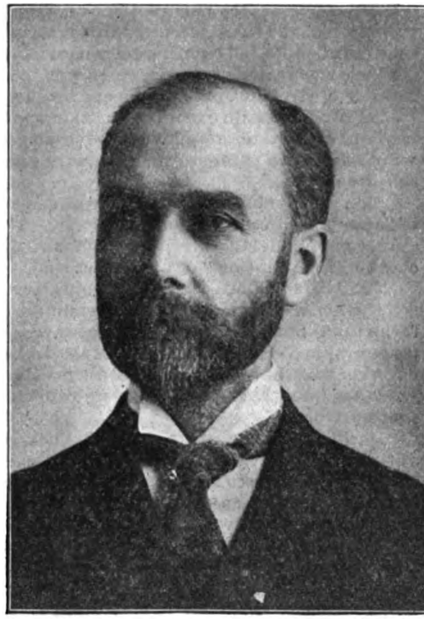
[illegible] has indeed been a remarkable one, alike from economic and political



Charles Adsit, Prest.
John B. Dutcher, Vice Prest.
George W. Thayer, Treas'r.
W. I. Taber, Secy.

standpoints. The value of our merchandise sold abroad exceeds the value of foreign merchandise imported into the United States by $615,259,000.

The outside world contributed to the wealth of the United States this round sum, and yet the air is filled with the cry of hard times, a cry in which bankers, with others, join. Whatever may be the present view, the year just closed will be looked back upon as one of unusual prosperity, and if we have not found it prosperous it is because we have failed to recognize and adapt ourselves to the changed and changing conditions. The days of six per cent. interest have gone, only to return at troubled intervals, when normal conditions are disturbed. The choicest investments yield less than three per cent. Some railroad bonds bearing three and a half per cent. interest command a premium. Rentals are proportionately reduced, and these conditions have come to stay. The growing wealth of this country is enormous, and as a permanent condition we must recognize four per cent. as a good return for investments.



HON. A. B. HEPBURN.
Former President New York State Bankers' Association.

While the earning power of money and property has for years been growing gradually less, at the same time the purchasing power of labor has steadily increased, not only from the increasing scale of wages, but as well from the lessening cost of commodities, whether necessaries or luxuries. In one of the large banks of the city of New York the average salary paid, averaging from President down to messenger boy, was $1,508. The earning power of this average employee equaled the earning power of $54,473 invested in Government bonds at present prices. Property is steadily receiving less and labor more, in the general division. People who have lived comfortably upon their incomes, as they are compelled to reinvest their maturing six, seven or eight per cent. investments in bonds yielding three and a half and four per cent., are obliged to resort to economies or supplement their incomes with labor. On the other hand, labor has more leisure time and greater means for the enjoyment of life, for self-cultivation, for developing a broader and better citizenship. As bankers, we must conform to the situation by paying less interest on the funds intrusted to our care.

The developments of the year mark the awakening of our people to a realizing sense of the responsibilities of nationhood. Our capacity to produce far exceeds our capacity to consume. The home market can no longer keep furnaces in blast or looms in action. That capital may earn its increment and labor be employed, enterprise must contend in the markets of the world for the sale of our surplus products.

The broader national life, which will inevitably result from the present war, will give an impetus to our foreign commerce. If merchandise is to be transported in American bottoms, the commercial world must know that the American flag means protection and guarantees safe conduct. And that we may successfully contend with the world, in the markets of the world, our commerce must be supported by a navy commensurate with the great commercial interests of our nation.

Now we make loans upon goods to arrive. In future we must loan upon the outgoing cargo. Our money and our credit must follow and aid our merchandise in seeking customers in those countries that consume more than they produce, and in the general interchange of commodities.

The present marks an epoch in our national life, a relaxing of the fiscal policy which has so long controlled with concomitant change in political policy. We may go to the past for principles, but in order to succeed we must study the present, gauge the future and adapt ourselves to the changing conditions.

CLEMENCY TO BANK CRIMINALS.

We, as bankers, realize full well the constant care and vigilant attention necessarily given to the management of our respective institutions by elaborate system, check and countercheck, in order to protect ourselves against loss through unfaithful officers or employees, forgers, swindlers, check-raisers and kiters, and also by means of safe and lock, electrical alarm and special police, to protect ourselves against those who would forcibly obtain possession of the funds intrusted to our care. We also realize the difficulty of running down such malefactors and securing their conviction.

It seems that executive clemency is too often interposed to relieve this class of public malefactors from proper punishment for their crimes.

In order to obtain exact information upon this subject I made inquiry from the Governments of each State, and also the Government of the United States, asking how many individuals had been pardoned since January 1, 1893, whose crimes fall within the following classification:

First—Individuals, either officers or employees of banks, convicted of misappropriation of funds or malfeasance in office.

Second—Individuals convicted of swindling banks by forgery, forged indorsements, check-raising, "kiting" or otherwise; and,

Third—Individuals convicted of burglary or robbery of banks.

The records of some of the important States were not so kept as to afford the above information. Such information, however, was received from thirty-two of the States. It appears that in Vermont criminals of this class are most rigorously dealt with. In that State five criminals have been pardoned since January 1, 1893, whose average sentence was eight years, two months and twelve days. The average period actually served was five years and four months.

During the same period in New York there were twenty-seven pardons. The average sentence was seven years, four months and five days, the average period actually served, three years and three months. The laws of the State of New York provide for a commutation of sentence on account of good behavior, so that the reduction in sentence results only in part from executive clemency. This may be true of some other States.

During the same period there were fifty-nine pardons of such criminals convicted in the United States courts, with an average sentence of five years, eleven months, and average period actually served, three years and six days.

In some of our large central Western States the greatest leniency seems to have been extended, the average period served being less than one-third of that imposed. The record of some States, however, was excellent in this respect.

The United States has no commutation law, and yet the average period actually served was but fifty-one per cent. of the average sentence. Executive clemency wiped out forty-nine per cent. of the penalty imposed by the court. There seems to be no justification for this. These expert criminals are, many of them, individuals of rare accomplishment and ability. They make preying upon honest industry a profession. They are entitled to no sympathy, and the business public are entitled to every protection.

From data obtained it appears that the greatest degree of leniency is extended to the "Napoleons of finance," who, in the furtherance of some scheme of speculation, or in the indulgence of a desire for fashionable and expensive living, appropriate the funds intrusted to them for safe-keeping. The social position, friends and influence, which these stolen funds enable them to obtain, seem to avail in obtaining a modification of their sentence. Surely this class sin against greater light, and it is difficult for one to see wherein they are entitled to greater leniency than the brutal burglar.

The ease with which executive clemency is obtained, and the freedom with which it is interposed, seem, in my judgment, to call for a protest on the part of the banking and business community.

BANK RESERVE.

A word as to the present law regulating the reserve in National banks. At present New York, Chicago and St. Louis are central reserve cities, and are required to keep a cash reserve in bank equal to twenty-five per cent. of their net deposits. Other cities, like Denver, Louisville, Cincinnati, Cleveland, Pittsburg, Philadelphia, Boston (in short, all cities having a population in excess of 50,000), are required to keep twenty-five per cent. reserve, twelve and a half per cent. cash in bank and twelve and a half per cent. with an approved reserve agent in one of the central reserve cities. The remaining banks, in places of less than 50,000 population, are required to keep fifteen per cent. reserve, six per cent. cash in bank and nine per cent. with an approved reserve agent in any one of the reserve or central reserve cities.

The law as to the central reserve cities seems to command approval. As to the reserve cities, would it not be well to amend the same so as to require them to keep a reserve of fifteen per cent. cash in bank, and as to the banks in smaller places, amend so as to require them to keep ten per cent. reserve cash in bank, repealing all provisions as to any portion of their reserve being kept with approved reserve agents? The six per cent. reserve cash in bank, required of banks in places of less than 50,000 population is no restriction whatever. They could not do the business over their counter with less than that. If a wholesome restriction is intended, the percentage ought to be raised. With equal propriety, the cash reserve required in central reserve cities should be increased. A goodly portion (a sufficient portion, I think) of the due from bank reserve now required by statute, all banks would, in regular course of business, be compelled to keep, independent of legal requirement.

Over ninety per cent. of the business of the country passing through banks is done by credit currency—that is, checks and drafts—and the percentage of business transactions consummated by credit currency is constantly increasing with the increased facilities of exchange. Economy and convenience necessarily produce such condition. A postage stamp transfers any amount of money in form of a check, whereas a moderate amount by means of express or registered mail, with insurance, becomes expensive, and involves extra labor. It follows that much the greater portion of the demands which a bank's customers make upon it call for exchange (drafts upon New York, Chicago or other metropolitan centres) rather than currency. In order to supply this demand upon the part of their customers, banks are compelled, in the regular course of business and without statutory requirements, to keep an available fund in metropolitan centres subject to their drafts.

It is the custom of reserve cities to pay interest upon bankers' balances. So long as banks are permitted to keep a portion of their reserve with approved reserve agents they naturally will keep that part of their reserve full where it would be drawing interest, rather than in their own vaults, where it earns nothing. The tendency is to overrun the reserve permitted with reserve agents, and to run short of the cash in bank reserve. The weekly clearing-house statement of our reserve cities shows their cash in bank reserve about even, or possibly short, while they are many millions over in the reserve carried in New York.

Good, wholesome business principles require banks, like individuals, to keep their resources in their own immediate possession and control, so far as possible. This rule seems to be relaxed and measurably reversed in the case of bank reserves in order to obtain the increment which interest contracts with their reserve agent allows.

The tendency of all this is to drain money from the country into metropolitan centres, especially in times of money plethora. This process is reversed in case of business activity or money stringency, and all these funds are withdrawn from money centres and distributed over the country. The cost of moving these funds back and forth, by express or otherwise, is a considerable tax upon the country. The reserve agents paying interest upon such funds necessarily invest them in order to realize a profit or to protect themselves against loss. The result is that loans become very much expanded in our reserve cities in times of great financial ease, and necessarily involve considerable hardship and distress when these loans are called in in order that the outflow of money to the country may be supplied when business conditions call for the same. The practical working of this is unhealthy in tendency, and generally deleterious to the business interests of the nation as a whole.

Statutes have a potent educational influence, and exercise a greater control over the minds of men and the course of business than one would suppose who had not had occasion and opportunity to observe their practical workings.

The change suggested in the law regulating bank reserves would, I think, strongly tend to prevent congestion in money centres and preserve a more even and uniform distribution of money throughout the country.

BRANCH BANKS.

We certainly need important legislation in order to adapt our banking system to the changing and growing commercial wants of the nation. A proper remedy for the evils complained of by the South and West is not to be found by waging war upon the existing banks, but by the establishment of more. They need competition and greater facilities for exchange. What the country needs is a system of branch banks. If our large banking institutions in our money centres were allowed to establish branches throughout the country the funds that they now hold in idleness, or begging for investment at one and a half to three per cent. interest, would seek investment through their branches at a better rate of interest. Thus would the interests of both sections, and all sections of the country, be conserved. The lender would get a fairer rate for his money, and the borrower be subjected to a less burdensome charge.

The present war has made a long stride in the direction of wiping out the sectional feeling that has so long complicated our politics, involved our business and embarrassed our progress. There is nothing which would tend more strongly to complete this good work than an equalization of the rates of interest throughout the country. The trend of thought and action on the part of publicists and statesmen should be toward the accomplishment of this result. There is no instrumentality so potent for the accomplishment of this as a system of branch banks.

Scotland has ten banks with over nine hundred agencies, reaching every community of commercial importance. The business needs of her citizens are well served, and there have been but two bank failures in over one hundred years.

The Bank of France, with its ninety-four branches, reaching 258 banking localities, loans at the same rate of interest in each locality each day. A borrower can obtain money at no lower rate in Paris than in the smallest town in which that bank is represented. The Credit Foncier (a mortgage company) in making loans to customers gives the customer not money but its debentures. These debentures are listed upon the Paris Bourse, and have a daily quoted value, and the Credit Foncier is forbidden to charge a customer in excess of five-eighths of one per cent. above the quoted value of the debentures upon the day the transaction is made. Thus every borrower from that institution obtains the same rate of interest throughout France. Practically, they do give their customers money, but the method of making loans, as above described, makes the rate of interest uniform, and it follows, from the strong credit of that institution, that its borrowers obtain their money for a little less than four per cent. interest.

The conditions in France, with reference to size, population and industrial development, are very different from the United States. And while it would not be practical for any banking institution to make the same rate upon loans in all parts of our country, it certainly is practical to bring the very low rates in the East and the very high rates in the West and Southwest approximately together.

THE PRESIDENT: Gentlemen of the Convention—Next in order on the programme is the report of the treasurer.

REPORT OF THE TREASURER, F. W. BARKER.

To the President and members of the New York State Bankers' Association:

Ladies and Gentlemen—As treasurer of the New York State Bankers' Association I hereby respectfully submit my report of the receipts and disbursements of the association for the year ending July 22, 1898.

Receipts.

Received July 21, 1897, from my predecessor, Charles F. Van Inwegen....	$1,184.94
Received during the year for annual dues from 422 banks and bankers...	5,045.00
Total receipts....	$6,229.94

Disbursements.

Disbursements for the year....	$2,100.32
Leaving cash on hand at this date....	$4,129.62

The vouchers upon which the disbursements have been made and the cash book in which appears an itemized account of those receipts and disbursements, have been delivered to the council of administration.

An analysis of the disbursements upon the plan of classification adopted by the council of administration May 26, 1897, which divides the expenses incurred between the prior and present administration, makes the following showing:

For the year ending with the annual convention July 15 and 16, 1897, I have paid group expenses:

Group III....	$14.05	
Annual convention expenses....	1,088.68	
General officer's expenses....	49.83	
Council of administration expenses....	31.30	$1,183.86

For the year ending with the present annual convention, July 22 and 23, 1898, I have paid group expenses:

Group I....	$00.00
Group II....	00.00
Group III....	11.25
Group IV....	9.15
Group V....	16.00
Group VI....	10.58
Group VII....	12.52
Group VIII....	00.00
Total....	$59.48

Annual convention expenses, being cost of publishing and distributing proceedings of convention held July 15 and 16, 1897....	$324.00	
Council of administration expenses..........	381.96	
General officers' expenses..........	201.05	916.46
Making total disbursements, as before..........		$2,100.32

According to the records of the treasurer, the membership of the association arranged by groups is as follows:

Group I..........	55	Group VI..........	43
Group II..........	25	Group VII..........	45
Group III..........	31	Group VIII..........	102
Group IV..........	58		
Group V..........	63	Total membership..........	422

All of which is respectfully submitted.

[Signed] F. W. Barker, *Treasurer.*

The President: Gentlemen, it appears from the report of the treasurer that we are entirely solvent and with a very comfortable amount on hand. In pursuance of authority granted to the president by the council of administration, I name as a committee of audit, to go over the treasurer's accounts and to report: W. I. Taber, C. F. Van Inwegen, C. H. Stout.

To these gentlemen the report of the treasurer will be referred in regular course, and they will please consider the same and report thereon under the heading of reports of committees at our session to-morrow afternoon.

Next in order, the reading by the secretary of his report:

Report of the Secretary, Walter E. Frew.

Mr. President and Gentlemen—At the last meeting of the council of administration it was decided that the secretary's report this year should consist of a synopsis of the work of the council, the various committees and groups, and following out the direction of the council I beg to report as follows:

The council of administration held their first meeting at the Chamber of Commerce Rooms, New York city, November 22, 1897, which was presided over by President A. B. Hepburn, and was attended by the past president, Seymour Dexter; F. W. Barker, treasurer; Walter E. Frew, secretary; F. E. Johnson, chairman of Group I; George W. Thayer, chairman of Group II; Charles Adsit, chairman of Group III; George L. Bradford, chairman of Group IV; J. H. De Ridder, chairman of Group V; David Cromwell, chairman of Group VI; John A. Nexsen, chairman of Group VII; T. L. James, chairman of Group VIII. The status of the various groups was fully discussed, and means were adopted to maintain and increase the general interest in the work and promote their usefulness. In order to further this object the following resolution was adopted:

Resolved, That the treasurer be authorized to pay a sum not exceeding fifty dollars to each group to pay the expenses of a committee to visit the banks who are not members of the association to induce them to join, such bills to be approved by the chairman of the group and the president of the association.

Desirable topics for discussion for the various groups were considered, and a list recommended to their respective chairmen.

A resolution was adopted on the subject of equalization of taxation, authorizing a committee with power, consisting of one member from each group, to be named by the chairman of the group.

This committee was called together by the secretary, but was unable to organize.

A second meeting of the council was held at the same place, April 4, 1898, President A. B. Hepburn presiding, and attended by all the members of the council. The condition of the groups and State was considered as a whole, and the programme of the ensuing State convention and method of entertainment were considered and agreed upon.

The president was authorized to appoint a committee of arrangements to act in conjunction with the president in conducting the ensuing convention. The committee appointed were: Charles Adsit, chairman, G. W. Thayer, F. E. Johnson, J. T. Mills, A. Schoellkopf.

Our committee on legislation, of which Mr. Ledyard Cogswell is chairman, provided the officers with copies of all bills introduced in the Legislature affecting banks, and with this information constantly before them the officers were better able to look after the interests of the association.

The present administration has maintained during the year a careful watch over the interest of the members, and when it was proposed to include in the new Revenue Tax law a tax of one quarter of one per cent. on the deposits and gross earnings of the banks, a circular was sent to all banks and bankers of the State calling attention to the features of the law, of the injustice imposed upon the banks and urging their co-operation in seeking modifications. We are happy to announce the objectionable features were eliminated.

I am indebted to the chairmen and secretaries of the various groups for the brief synopsis of their work, which I include in my report.

GROUP I.

Of the banks in the seven counties comprising it fifty-five are members. At the last meeting held in Buffalo thirty-seven banks were represented, and a marked interest was shown in matters pertaining to banking, viz.: Taxation of banks and trust companies, country checks and other topics, all of which produced lively discussion.

Officers for the ensuing year were elected, able addresses made and a dinner at the Iroquois Hotel followed.

The executive committee of the group have carefully watched legislation, and their representatives in Congress and the State Legislature have been corresponded with and advised in regard to bills affecting banking interests.

GROUP II.

Group II has held two meetings since the last annual meeting of the association, and the attendance was large. Interesting addresses were made upon live topics, and all expressed themselves gratified with the work of the association. At the last meeting of this group considerable discussion was evoked on the probable war taxes. This put some of the members in a reminiscent mood, and interesting experiences were related in regard to banking during the Civil War of '61 to '65. The consensus of opinion seemed to be that the taxes upon banks would be the first imposed and last removed, and that this factor must be taken into account as a fixed charge in the conduct of our business for many years to come.

GROUP III.

Group III held a meeting at Elmira, October 14, 1897, and after reports of special committees the meeting was favored by able papers, as follows: Hon. Seymour Dexter on "Negotiable Instruments Law;" J. T. Sawyer, of Waverly, N. Y., on the "Currency of the Future;" Platt V. Bryan, of Elmira, on "Currency Under the Old State Banking System."

A general discussion of the currency question followed the reading of the papers. At this meeting the annual election of officers resulted in the election of Charles Adsit as chairman and B. W. Wellington as secretary for the ensuing year.

The second meeting of the group was held at Corning, May 25, 1898, where the group and their friends were entertained by the First National Bank and Q. W. Wellington & Co.'s Bank at the City Club. Excellent papers were presented by J. M. Brundage, of Andover, on the "Powers and Duties of a Notary Public;" Hon. Seymour Dexter on the "Currency Bill as Recommended by the Monetary Commission;" George I. Williams on the "Currency Bill as Recommended by the House Committee on Banking and Currency." An interesting and animated discussion followed the reading of the papers on the currency question, after which a recess was taken for dinner, at the conclusion of which the delegates inspected some of the interesting industries of the city of Corning.

GROUP IV.

Group IV held a meeting on October 26, 1897, at the Yates Hotel, Syracuse, N. Y., where the following subjects were discussed: "Is it Feasible for the New York State Bankers' Association to Form a Credit Agency?" "How Can the New York State Bankers' Association Best Co-operate With the American Bankers' Association or Establish for Itself a Bureau of Information or Education on Financial Questions?" "Ought not the Risk of Collecting Foreign Paper be Assumed by the Customer Rather than the Bank?"

These discussions were of an informal nature and were both interesting and instructive. A paper was read by the Hon. A. Judd Northrup, member of the State Commission of Statutory Revision, on the "Codified Negotiable Instruments Law," which was especially interesting, interpreting as it did many points in the new law which went into effect October 1. 1897, so much so that it was ordered published and placed among the members of the group.

GROUP V.

Group V were unable to have a meeting of their group until April, 1898, when the annual election of officers occurred, at which W. H. Rainey was elected chairman, and very interesting discussions occurred on topics of local interest. The group is in a flourishing condition, having a membership of sixty-three banks.

GROUP VI.

Group VI held a meeting at the Dutcher House, Pawling, N. Y., October 21, 1897, where there was an attendance of one hundred and two. At this meeting the election of officers occurred, with the following result: David Cromwell, chairman, and T. Ellwood Carpenter, secretary.

The question of bank taxation was fully discussed, and the unjust and unequal manner of taxation fully shown up.

Several meetings of their executive committee were held during the year. A very large meeting of their group was held at the Mountain House, Lake Mohonk, June 3 and 4, 1898, with an attendance of two hundred and seven. They had a most enjoyable time as well as a most useful meeting, nearly every bank of their group being represented. The Hon. A. B. Hepburn, president of the New York State Bankers' Association, was present and made the principal address.

GROUP VII.

Group VII has increased its membership during the last year by the admission of the First National Bank, of Port Jefferson, making a membership of forty-five out of a total of forty-seven banks located in the section covered by their group.

The two banks which are not members are located at Greenport at the extreme eastern end of Long Island, and it is probable their location which has somewhat to do with their not becoming members.

Their meetings have been well attended, especially the one held in the month of August of last year, which at the request of the Bank of Huntington was held at that place.

Many points of interest to their members have been brought up at their meetings and are still awaiting their attention, one of which, which has been in operation for about a year, was the direction of their secretary to prepare a book in which is kept the names of individuals, firms and corporations whose accounts are closed by the banks either for swindling, making false statements or for good reasons. This enables their members when in doubt about accepting an account to inquire of their secretary as to whether the account has been closed by some other bank. So far this has worked very satisfactorily.

Another question they are considering is the protection of country banks, members of their group, in times of financial distress. This problem is in the hands of a committee which hopes to report during the coming year.

Another question, and one which has been attracting more attention than the others, has been the question of taxation. For some reason or other the assessment of the shares of their members was largely increased by their local assessors, and their action was very arbitrary, not being inclined to allow individual parties to have a hearing. After considerable effort and persuasion a committee from this group succeeded in securing reductions, so their banks were assessed on an equal basis as the banks of a neighboring city. This was satisfactory to some of their banks, but one of the members of this group has refused to pay the tax and has brought suit, claiming the tax is excessive. This member is one of the large National banks of their group, and it claims that as a National bank it is entitled to no larger assessment upon its shares than is the assessment upon the capital employed in a trust company. This question has been tried, and the case brought by the Mercantile National Bank of New York city. In that case the question depended entirely, according to a paper read by one of their members at one of their group meetings, on the point as to whether trust companies discounted paper for their customers. Under their charter at that time they were not allowed to discount paper, but nothing stopped them from buying paper direct, which was the same thing.

Since the decision rendered in that case the Legislature of the State of New York has passed a law covering this very point, granting trust companies the privilege of discounting paper. It probably will be some time before the decision can be rendered in this matter; in the meantime it will be impossible to say as to whether the action of this bank in this case is well founded.

GROUP VIII.

The annual meeting of Group VIII was held at the Down Town Club, New York city, October 23, 1897. At that meeting the election of officers for the ensuing year was held, which resulted as follows: Hon. Thomas L. James, chairman; Charles H. Stout, secretary and treasurer.

Several meetings of the executive committee of this group were held, when matters of local interest were attended to.

The second annual banquet of this group was held at the Hotel Manhattan in February, at which there were about one hundred and fifty guests present. It was very successful and thoroughly enjoyed by all present.

They have now on the roll of their group one hundred and two members, of which forty-three are National banks, thirty-six State banks and twenty-three private bankers. They havé had no resignations and two applications are now on file for membership.

The secretary of this group has supplied the members of his group with a number of blanks for uniform statement, forms of which were adopted by the association some time ago.

MEMBERSHIP OF THE ASSOCIATION.

The membership of the association as per the secretary's roll of members is as follows:

Group No. I	55	Group No. VI	43
Group No. II	25	Group No. VII	45
Group No. III	81	Group No. VIII	102
Group No. IV	58		
Group No. V	63	Total	422

The interest in the work of the association is plainly shown in the various group reports, and the New York State Bankers' Association enters on its fifth year stronger in membership and enthusiasm than ever before in its history. The needs of such an association to our banks are many, and it is to be hoped that the incoming administration will hearken to the suggestions that can be gathered from these various group meetings. The discussions of subjects such as equalization of taxation between banks and trust companies, bureaus of information and education, and other practical subjects, would not take place if it were not a case of actual necessity, and these questions will force themselves to the front until they are properly attended to.

The social benefit of these meetings cannot be too highly commended, but we must not lose sight of the fact that we are gathered together for business purposes.

Let us act on those problems that are disturbing a large number of our members as we should, and I have no doubt many evils can be remedied and justice done to the banks of this State. (Signed) WALTER E. FREW, *Secretary*.

THE PRESIDENT: Gentlemen—You have listened to the reading of the secretary's report. It is before the convention for discussion. The usual course is that the same be received and placed on file, and if there are no remarks to be made it will take that course.

I wish to call your attention particularly to one thing, and that is, in order to secure, if possible, a correction of the injustice of the inequality of taxation as the same exists between banks and trust companies, a committee upon that subject was appointed last year, the chairman of each group naming some member of the committee. They were called together, but beyond electing a chairman, they were unable to organize.

It would seem, therefore, that while there is a broad discrimination in favor of trust companies as against banks in the matter of taxation, as there is also in matters of reserve required, as trust companies are required to keep none, the trust company you will observe has a very strong standing room in all the banking institutions of the country.

The next on the programme is general announcements, and in pursuance of the authority conferred upon the president at the meeting of the council of administration last evening, I announce the following as a committee of resolutions:

Seymour Dexter, chairman; William C. Cornwell, John B. Dutcher, F. H. Hamlin, James G. Cannon, Anthony Lamb, J. A. Nexsen, W. G. Nash.

There is one other matter I wish to call to the attention of the different groups, and that is that this convention is entitled to one delegate to the American Bankers' Association's Convention for every fifty members or fractional part thereof. Our present membership entitles us to nine delegates. The custom is for each group to nominate to the convention one delegate, and the convention to ratify the nominations, and then there is also one delegate at large to be elected from the convention.

NOMINATION OF OFFICERS.

Next in order is the nomination of officers, and according to the machinery effective for that purpose the custom is for the convention at its first session to proceed to call the roll of groups, each group presenting its candidate for the office, and thereafter an informal ballot is taken for the purpose of making nominations. Blank ballots will be furnished to each delegate present, with the name of the officer to be voted for printed thereon, and delegates are expected to write the name of the candidate for whom they wish to vote underneath, together with the name of the bank that the delegate represents. Each bank is entitled to one vote. The two candidates receiving the largest number of ballots are declared by the chair to be the nominees of the convention, and the formal ballot for the election will take place at the session to-morrow afternoon.

First in order is nominations for president for the ensuing year. The secretary will call the roll of groups in numerical order.

SECRETARY FREW: Group I:

MR. DUDLEY: Mr. President and Gentlemen of the Convention—I rise to perform a very pleasant duty. As the representative of Group I, I have the honor to place in nomination for the position of president of this association for the ensuing year Mr. Charles Adsit, the President of the First National Bank of Hornellsville.

I assume at this time that it is proper that the person selected to fill this dignified office should merit the position, and that he should be a man who can fulfil the duties of the office with honor to the association and with satisfaction to its members.

I understand that some years ago there assembled at the residence of Hon. H. C. Brewster, at Rochester, a party of gentlemen who there formulated the idea, so to speak, of a State bankers' association, and among those present were Mr. Adsit, and during the process of organization the association had the benefit of Mr. Adsit's experience and his earnest assistance, and to him perhaps as much as to any other person is due the success which crowns the efforts made at that time by the gentlemen there assembled. Mr. Adsit was the first secretary of the association, and since this organization he has given his time to it unsparingly.

I believe that no better selection could be made, sir, for the position of president than Mr. Adsit.

In closing, I wish to pay a tribute of respect, representing Group I, to President Hepburn, who has so satisfactorily and faithfully discharged the duties of president during the past year.

SECRETARY FREW: Group II.

MR. HAMLIN: As the mouthpiece of Group II I have the honor to express the unanimous wish of the group in seconding Mr. Adsit's nomination for president. I do this with all the more pleasure, sir, as we in our group are neighbors of Mr. Adsit, and we know him to be a good man, a good banker, and above all a royal good fellow.

Charles Adsit deserves well of this association. From its inception he has labored in season and out of season for its success. He has labored in its council of administration ever since its organization, actively, enthusiastically, and effectively. He deserves all the honor we can give him, and in honoring him we honor ourselves. He possesses all the qualifications requisite to fill the office of president. If he lacks anything at all, why, it is owing to his excessive modesty. He is so modest that he does not always get what he deserves, but I suspect, Mr. President, that after he has associated with the rest of us a little longer he will overcome even that.

SECRETARY FREW: Group III.

MR. DEXTER: It is with great pleasure that, on behalf of the members of Group III, I voice their sentiments in seconding the nomination of Mr. Charles Adsit for president.

We, too, know Mr. Adsit, and we appreciate the work he has done for this association from the start. As the present chairman of his group, he has been one of the active spirits, and we are ready to endorse every word that has been said on his behalf. Mr. Hamlin alluded to the only drawback that Adsit has, and that is his modesty; but let me say to you that it is a modesty which wins for him friends and shows the royal fellow that he is, as a banker pure and simple, holding high the honor of the banking fraternity and banking principles.

SECRETARY FREW: Group IV.

MR. RHODES: Mr. President, Ladies and Gentlemen—On behalf of Group VI, which I have the honor to represent, as well as on my own behalf, I take great pleasure in seconding the nomination of Charles Adsit. At our group meeting last fall at the Dutcher House, Pawling, in tne county owned by our friend Hon. John B. Dutcher, Mr. Adsit and his wife were present, and they won all our hearts. We admired him for his ability, and we admired his wife for her wifely attributes; and we are for Charles Adsit first, last and all the time.

To be sure, some of our loyal people in Group VI like rotation in office and would be gratified to see group efficiency recognized; but New York city has had the presidency twice, and Group III is surely entitled to it twice within a period of three years on account of the popularity of Mr. Adsit and his services on behalf of the association.

I take great pleasure in seconding the nomination of Charles Adsit, for I believe he will make a model president.

SECRETARY FREW: Group IV.

MR. LAMB: Group IV heartily seconds the nomination of Charles Adsit for president of this association. Without any intention of making invidious comparisons, we believe that Mr. Adsit has labored as zealously as any member of this association for its interests and for the entertainment of its members. As secretary of the association, as chairman of the committee on entertainment, and as a member of the council of administration, he has at all times worked heartily and unselfishly for the best interests of the association; and he is a good banker, a worthy citizen, and a modest man, and we are sure that he will worthily sustain the honor which we confer upon him.

SECRETARY FREW: Group V.

MR. RAINEY: Adsit!

SECRETARY FREW: Group VI.

MR. CROMWELL: Group VI has already been heard from.

SECRETARY FREW: Group VII.

MR. NEXSEN: Group VII is not united; but as there appear to be no other nominations except that of Mr. Adsit, I presume I can say that Group VII seconds his nomination.

SECRETARY FREW: Group VIII.

MR. STOUT: On behalf of Group VIII I second the nomination of Mr. Charles Adsit.

MR. CANNON: Mr. President, I move that the nomination of Mr. Charles Adsit for president be declared unanimous.

THE PRESIDENT: Gentlemen, you have heard the motion, that the nomination of Mr. Adsit be made unanimous. Are there any remarks? If not, all who are in favor of the motion will manifest it by saying aye—opposed, no. Carried. I declare Mr. Adsit the unanimous nominee of this convention for the office of president for the ensuing year.

THE PRESIDENT: Gentlemen, the next business in order is the nomination of a candidate for vice-president. The same course of procedure will be followed: the secretary will call the list of groups in numerical order for the presentation of candidates.

SECRETARY FREW: Group I.

MR. CORNWELL: I wish to place in nomination a man who has held no office in the association thus far, but who has done a great deal of work for the association—a man whom you all know, and a man who I am sure will discharge the duties of vice-president in an able manner and with great credit to the association. I nominate for vice-president John B. Dutcher, of Pawling.

SECRETARY FREW: Group II.

MR. THAYER: On behalf of Group II I take pleasure in seconding the nomination of John B. Dutcher. He needs no commendation from any one.

SECRETARY FREW: Group III.

MR. DEXTER: Group III seconds with very great pleasure the nomination of Mr. Dutcher.

SECRETARY FREW: Group IV.

MR. LAMB: I have been asked by my group to second the nomination of Mr. Dutcher, and I do so with pleasure. I have known Mr. Dutcher for a number of years. I have met him frequently in conventions in other lines of business, and I know that his election as vice-president will add great strength to this association.

SECRETARY FREW: Group V.

MR. RAINEY: I am very glad to rise to second the nomination of Mr. Dutcher.

SECRETARY FREW: Group VI.

MR. CROMWELL: I have no doubt it is a great pleasure for any of these gentlemen to second this nomination of Mr. Dutcher, but it is a great deal more of a pleasure for any representative of Group VI, of which Mr. Dutcher is an honored and highly respected member, to second the nomination of Mr. Dutcher, as I now do with extreme pleasure.

SECRETARY FREW: Group VII.

MR. NEXSEN: Group VII seconds the nomination of Mr. Dutcher.

SECRETARY FREW: Group VIII.

MR. STOUT: We endorse Mr. Dutcher's nomination.

MR. CANNON: Mr. President, I move that the nomination of John B. Dutcher for vice-president be made unanimous.

THE PRESIDENT: All in favor of making Mr. Dutcher's nomination unanimous will manifest it by saying aye—opposed, no. Carried. Next in order is the nomination of a candidate for treasurer, and the same course of procedure will obtain.

SECRETARY FREW: Group I. (No nomination.) Group II.

MR. BECKER: At the request of the members of Group II I beg to present the name of one of our own members for the office of treasurer. I am instructed to present the name of a man who has already served us in the same capacity with great satisfaction to ourselves, and who is now the chairman of our group—George W. Thayer, of Rochester.

SECRETARY FREW: Group III.

MR. DEXTER: On behalf of Group III I take pleasure in seconding the nomination of Mr. Thayer.

SECRETARY FREW: Group IV.

MR. LAMB: I am not authorized by Group IV to second the nomination of Mr. Thayer, because I have had no conversation with its members in regard to that office; but personally I wish heartily to second the nomination.

SECRETARY FREW: Group V. (No nomination.) Group VI.

MR. CARPENTER: On behalf of Group VI I desire to second the nomination of Mr. Thayer.

SECRETARY FREW: Group VII.

MR. RAINEY: Mr. Thayer.

SECRETARY FREW: Group VIII.

MR. CANNON: Group VIII heartily seconds the nomination of Mr. Thayer for treasurer.

THE PRESIDENT: Gentlemen, nominations are still in order. If there are no other names to be presented for this office, I declare Mr. Thayer the unanimous nominee of the convention for the office of treasurer for the ensuing year.

Next in order is the nomination of a candidate for secretary, and the same course will be pursued.

SECRETARY FREW: Group I.

MR. BOAG: On behalf of Group I I desire to place in nomination for the office of secretary Mr. William I. Taber, of Herkimer.

SECRETARY FREW: Group II.

MR. THAYER: I am happy to second the nomination of Mr. Taber.

SECRETARY FREW: Group III.

MR. DEXTER: We second Mr. Taber's nomination.

SECRETARY FREW: Group IV. (No nomination.) Group V. (No nomination.) Group VI.

MR. RHODES: Group VI, remembering the magnanimous action of Mr. Taber last year at Saratoga Springs, heartily seconds his nomination.

SECRETARY FREW: Group VII.

MR. RAINEY: We endorse the nomination of Mr. Taber.

SECRETARY FREW: Group VIII.

MR. CANNON: We endorse Mr. Taber's nomination, and I suggest that his nomination be made unanimous.

THE PRESIDENT: All in favor of making the nomination of Mr. Taber for secretary unanimous will signify it by saying aye—opposed, no. Carried.

THE PRESIDENT: Are there any further announcements? Gentlemen, we have a pretty full programme for this afternoon, and I would suggest that members gather promptly at 2 o'clock, instead of 1:30 as announced. If we get together at 2 o'clock sharp I think it will be better, and I therefore trust that everyone will be in attendance at that hour. The convention will now take a recess until 2 o'clock.

AFTERNOON SESSION.

THE PRESIDENT: Gentlemen, the Maryland Bankers' Association is now holding its annual meeting at Ocean City, Md. It has been suggested that we send them a telegram conveying our greeting; and, with your approval, I would submit the following:

J. B. Ramsay, President Maryland Bankers' Association, Ocean City, Md.:

The New York State Bankers' Association in convention assembled send greetings and wish to exchange congratulations upon the assured maintenance of the present standard of values and the bright prospects for a successful and prosperous business year.

A. B. HEPBURN, *President.*

Gentlemen, if it is your wish to do so, this telegram will be sent.

We are all familiar with the Indianapolis Monetary Commission and its work. The Indianapolis convention was called at a time when the business prospects of our country were dark indeed, and when there threatened to be a successful assault upon the gold standard of values. The work of that convention was felt to the great benefit and advantage of the country throughout the last campaign; and the election over, they followed up their good work by calling another convention which resulted in the creation of a Monetary Commission, consisting of business men from different sections of the country who, from their past life, training and experience, were fully competent to consider the whole subject of the currency and formulate such a plan as might reasonably be hoped to furnish a satisfactory solution of the vexed question. The result of their labors has been for a long time before the country, and the evidence they have massed, the analysis of the same, and the conclusions which they presented to the country are by far the strongest discussion and presentation of the underlying principles of a sound and elastic currency which has ever been submitted to the people of this country, and I doubt if its equal has been furnished in any country. The result of their labors is a pending question before the American people.

We are exceedingly fortunate to-day, gentlemen, in having present with us to discuss this subject one of the prominent members of that convention, and a man to whom we are as much indebted for the labors of that commission as any other member of it. I take pleasure in introducing to you Hon. Robert S. Taylor, of Fort Wayne, Indiana.

THE PENDING CURRENCY BILL.—ADDRESS BY HON. ROBERT S. TAYLOR.

You are men keenly alive to the value of time as well as of money. The limit of my allotment is forty minutes; you will pardon me if I crowd it as full as possible, and with the most serious matter.

You are familiar with the movement for monetary reform which found expression at the Indianapolis convention in January, 1897; with the work of the Monetary Commission appointed by authority of that convention; its report, its bill; the proceedings of the House Committee on Banking and Currency to which the bill was referred, and the present pendency in the House of the bill reported by it. That bill represents the net result to date of the labors of the Executive Committee of the Indianapolis convention in the direction of legislation. The question of the attitude of the friends of monetary reform toward it is one of importance. They can kill it, or they can secure its consideration and passage in some form—probably an improved form—by harmonious and persistent effort.

The bill is long and somewhat involved in its provisions. It would tax a busy man's time to read and digest it if he had it before him, as he is not likely to have while the newspapers are filled with war news. I have thought, therefore, that I could not occupy your attention more profitably for the few minutes which are mine than to take it as the subject of my remarks. In these I shall for brevity state in my own language and order the provisions of it most important to be considered.

GENERAL PROVISIONS OF THE BILL.

In general the bill follows the lines of the Monetary Commission's plan in what I regard as its fundamental principles. It provides, in the first place, for the establishment of a division of issue and redemption in the Treasury Department, to which is to be committed the whole business of issuing and redeeming notes, both of the Government and the banks, so far as the latter is done by the Government; and the exchange of coins and other forms of money.

In this division is to be established initially by transfer from the general Treasury a gold reserve equal to twenty-five per cent of all outstanding greenbacks and Treasury notes and five per cent of the silver dollar coinage. This reserve is to be maintained thereafter at such sum as shall secure the certain and immediate redemption of the notes, and exchange of gold for silver dollars presented. This is to be done by transfer from time to time of unappropriated "funds" (gold, I assume) from the general Treasury, not reducing its cash balance below fifty million dollars; and by sale for gold when necessary of five year three per cent certificates payable in gold. From this fund it is made the duty of the division to redeem greenbacks and Treasury notes on demand *in gold*, and exchange gold for silver dollars when presented.

The provision for utilizing the silver dollar is the same as that recommended by the commission. All greenbacks, Treasury notes, and bank notes under ten dollars and all silver certificates over five dollars are to be withdrawn. The entire silver dollar coinage will thus be represented by one, two and five dollar certificates, and silver dollars; and will constitute the "large change" of business. In that situation the silver dollar will not be a serious burden upon the Treasury—certainly not as long as the paper obligations of the Government are redeemed in gold.

Let us consider for a moment what this much of the bill means. First, it guarantees *by law* the maintenance of the gold standard by the United States in its payment of its obligations. We have had no such guaranty for twenty years. The Bland-Allison bill of 1878 made the silver dollar a legal tender for all debts, public and private. That part of the law is in force to-day. For twenty years the Treasurer of the United States had had the legal right on the face of the statute to pay in silver any debt of the Government not otherwise expressed. The greenbacks, Treasury notes, and bonds payable in coin have been and are by the letter of the law payable in silver dollars at the option of the Government. That option has not been exercised, because during all that time the executive department of the Government has been in the hands of men who believed in the honest performance of public obligations.

In the second place, this much of the bill makes a secure and business-like provision for the performance of the guaranty. The present way—the dumping of all the revenue into one pot and the payment of all obligations out of it indiscriminately—is crude and hazardous. It puts upon the demand obligations of the Government all the risks of insufficiency of revenue. The Treasurer cannot refuse to pay current dues as long as his money holds out. When other funds are exhausted, he has no alternative but to pay out of the gold reserve, which is merely a fictitious name applied to the $100,000,000 at the bottom of the chest. It is true, that, as that fund is in this way diminished at one end, the Secretary of the Treasury may, by a stretch of authority, replenish it at the other end by sale of bonds, and so do indirectly what he cannot do directly—borrow money to pay current expenses. But this is necessarily a trying and dangerous operation, as we have learned by dear experience. To get out of that absurd, illogical, hazardous situation; to make the gold standard a thing of *law* and its maintenance a business certainty, will be to take a step forward of immeasurable value. It will remove at once the most fundamental and fatal defect in our present system.

The provision in regard to the silver dollars will mark the end, it is to be hoped, of our disastrous experiments with that metal. I do not severely criticise our earlier silver legislation. It rested on the hope—optismistic, perhaps, and unwarranted, as it proved—that liberal coinage by our Government might not only stay the fall of silver but restore its former parity with gold. The Bland-Allison bill was such an experiment; the Sherman bill was a forlorn hope. The clause in the recent revenue law directing the resumption of silver dollar coinage was an act of folly distinguishable from crime only by the fact that the amount is probably not great enough to sink the ship.

That part of the bill relating to banking is a Joseph's coat. It betrays the presence of conflicting views not harmoniously blended. I feel no apprehension that it will become a law without changes in this respect in the course of the discussions which will necessarily precede its enactment.

THE NATIONAL RESERVE NOTES.

While the bill contains many things that are new in this part, it retains practically all of the tried and tested features of the present law, which has in many respects vindicated itself by a third of a century of successful working. At the same time it contains two radically novel features. One of these is that relating to the "national reserve notes." This note is a Janus-faced paper to be obtained by the banks from the Government in exchange for greenbacks. It is to have on one side the present greenback promise of the Government in absolute and unqualified terms, and on the other the promise of the bank receiving it to pay the amount named in it in gold at its counter. I was not favorably impressed by this curious proposal at first blush; but find it growing less objectionable upon continued reflection. Let us see what it means.

In the first place, the greenback side of the note will be still the obligation of the Government. The holder may call on the Government to redeem it just as though the other side were a blank. And as the greenbacks paid in by the banks in exchange for the national reserve notes are to be cancelled when received, it follows that the issue of national reserve notes will not, as between the Government and its creditors, alter the amount or terms of its obligations to them. When the bank goes into liquidation the reserve notes are to be redeemed by the Government and cancelled.

There is a provision in Section twenty for the issue of reserve notes in exchange for gold coin; but this applies only to the case in which such notes shall have been previously withdrawn by the Comptrollers of the Currency, under a power conferred on them, and cannot exceed the amount of such previous withdrawals. The effect of all the provisions taken together will be, therefore, as I read them, to retire finally the greenbacks which have been put in the form of reserve notes as the banks which have taken them out go into liquidation. In the meantime the retirement of those not thus exchanged will go on under the other provisions of the bill.

One of the anticipated difficulties in the way of retiring the Government's demand obligations is the probable unwillingness of holders to present them when their redemption is made certain, and it is known that they will not be reissued. I do not believe that it ever will be accomplished without the aid of the banks in some way.

Looking at the matter from the standpoint of the banks, it is to be observed that while the terms of the Act are, that the promise expressed on the bank side of the national reserve note shall be to "pay the sum specified," it is manifest that such payment is not to be a final one. It is merely a current redemption. Having thus taken in the note the bank can pay it out again, and as often as it comes back. The effect of the transaction is, simply, that the bank undertakes to assist the Government in the current redemption of the greenbacks to the extent of the reserve notes taken out by it. How much of a burden will this be to the banks ? And so far as it will be a burden, will it be an unjust one ?

It need hardly be said that the maintenance somewhere in the country of a stock of gold sufficient for the certain redemption of all paper money in circulation is a *sine qua non* of any good currency system. Under prosperous conditions the maintenance of that stock costs no one anything except the trouble of its custody. It comes to us by the natural operation of the laws of trade. Under other conditions it may be a load for some one to carry. One of the evils of our present system is that this whole load is, at such a time, put on the Treasury, and that the Treasury is without resource to meet it except by buying the gold. That necessity can hardly arise except when the conditions are such that the Government must borrow the money with which to buy. When we come to that pass, we are bound to be in a state of strain and apprehension, if not panic. Hence the argument that the Government ought to go out of the banking business, and be relieved of the responsibility of maintaining the nation's stock of gold. If that were done the banks would have to take up that responsibility themselves. That we shall come to that point some time is the hope of the wisest financiers. The national reserve notes are a step in that direction.

Nor do I see that the burden assumed would be onerous, or at all perilous. If we suppose that the banks would take out national reserve notes generally and largely, the greater portion of the greenback circulation would be thus re-issued. They would be a favorite form of bank reserve. They would constitute the bottom layer of bills in the vault—rarely disturbed, except to be counted. So far as they might be used to satisfy a demand for gold the burden would be distributed quite as equitably as by a system of note issues redeemable in gold, and with less danger of sudden and embarrassing runs.

If, on the other hand, we assume that but few banks would take out reserve notes, there would be opportunity for such banks to protect themselves against oppressive conduct on the part of others. There would in that case remain in circulation the more unconverted greenbacks, and by means of these the banks having reserve notes in circulation could supply themselves with gold from the Treasury.

In short, the plan seems to me to embody a method by which the function of maintaining the country's stock of gold, when that function becomes burdensome, will be divided between the Government and the banks in as equitable and practicable manner as is possible in any other way. When gold is plenty the burden is nothing. When it is scarce the banks must supply it, no matter what the system may be. They do it under the present system, but in a way subject to some unfortunate incidents. They are never called on to do it until shipwreck is in sight; which means that there is no way for the Government and the community to escape ruin but to come within a hair's breadth of it. Then, when they are called upon, it is to buy bonds—a transaction in which they not unnaturally seek to make a profit. But the effect on the country is bad. One of the misfortunes of that time, one of the serious obstacles in the way of monetary reform, is the estrangement between the people and the banks. That it is chiefly the work of demagogues I agree. But it exists; and the banks can well afford to make some sacrifice even to remove it. And I know of no other one thing that would contribute more usefully to that end than the voluntary assumption by the banks under some such scheme as this of a share of the burden of maintaining the country's gold reserve without speculative profit to themselves.

In the practical working of the scheme of the bill I should not expect the reserve notes to be presented in the first instance to the banks for the purpose of obtaining gold. They would go to the Treasury first, and having been redeemed there, would be redeemed by the banks out of their five per cent. redemption (not guaranty) deposits. The bill does not propose and it would not be admissible to enact by law that the holder of a Government obligation must look first to a private corporation for payment. What the bank would really do would be to reimburse the Government the gold paid out in the redemption of the reserve notes which it had undertaken to protect.

THE ISSUE OF CREDIT NOTES.

The other main feature of novel character found in the bill is in the provisions relating to the issuance of notes without hypothecated security; or, as it is commonly put, "on assets," which is a somewhat unfortunate expression, as it does not quite convey the truth. All good bank notes are issued on assets of some kind, lodged somewhere. But any words will do, so we clearly understand what we mean.

Under the present law notes are issued by the National banks upon the deposit in the Treasury of Government bonds as security for their payment, and to the extent of ninety per cent. of the par value of the bonds so deposited. The pending bill provides for the continued issue of notes upon that security by banks which prefer to do so, enlarging the privilege to the full par value of the bonds. Such notes constitute a separate class to be known as "National bank notes." The provisions respecting their issue differ otherwise only slightly from those of the present statute.

It is further provided that upon certain conditions and limitations stated a bank may issue notes without hypothecating or depositing with the Government any bond security for their payment. Such notes are simply the general obligations of the bank, and hence are said to be issued "on assets." They constitute a separate class in the bill, styled "national currency notes."

The bill is objected to by some bankers because it contains this feature, and by some others because it does not contain more of it. This difference of opinion may be said to raise a weak presumption that the bill is about right. The conditions upon which a bank may issue currency notes are:

(1) That it shall have taken out an equal amount of "national reserve notes," heretofore mentioned. This privilege is the inducement to take out the reserve notes.

(2) That the amount shall not exceed the amount of the bank's "National bank notes" outstanding, secured by bonds.

(3) That the amount shall not exceed forty per cent. of the paid-up and unimpaired capital stock of the bank; with the proviso that a bank having in circulation eighty per cent. of its capital (not more than half of which can be in "national currency" notes) may issue additional currency notes to the extent of the remaining twenty per cent. of its capital by payment of a monthly tax thereon at the rate of one-half of one per cent. per month, without taking out the national reserve notes required as a condition to the issue of its previously issued currency notes. This twenty per cent. is the so-called emergency circulation, which, it is assumed, will be issued only in times of extraordinary stringency, and retired as soon as that stringency has passed.

For the security of the currency notes, in lieu of bonds deposited, it is provided that every bank issuing such notes shall keep on deposit in the Treasury in gold a sum equal to five per cent. of all its outstanding currency notes, which deposits are to constitute a common guaranty fund for the security of all the currency notes issued by all the banks. Upon the failure of any bank its currency notes are to be paid immediately out of this fund, and the fund made good out of the assets of the bank; upon all which, except bonds deposited as security for "National bank notes," the Government retains a first lien for that purpose. If the guaranty fund falls short of the demands made on it, it is to be replenished by assessment on all banks issuing currency notes in proportion to such notes outstanding at the time of the failure of the bank; but such assessments cannot exceed in the total one per cent. per annum upon any bank.

Provision is made for the gradual removal of the requirement that bonds shall be deposited as security for circulation, so that at the end of eight years the "National bank notes" may give place entirely to "national currency notes," and the system pass to one of "assets" circulation, pure and simple. Provision is also made for discontinuing the "national reserve notes" when the greenbacks required for their issue shall be no longer obtainable.

The bill thus contemplates the retirement finally of all the demand obligations of the Government and the establishment of a national banking system with circulation secured in the first instance by a common guaranty fund and finally by all the assets of all the banks.

I have not time to state the arguments which demonstrate to my mind the superiority of the system thus proposed to one constructed on the plan of our present law. It seems to me to be the flower and fruit of the world's wonderful progress in business methods within the past century. The differences in detail between the plan recommended by the commission and that found in the pending bill for the attainment of this end are so slight that I need not detain you to speak of them. I think an approval of the commission's plan is equivalent to a general approval of this part of the pending bill.

There are a great many small differences between the bill prepared by the commission and the bill reported by the committee; but, barring, perhaps, the "national reserve note" feature of the committee's bill, those differences are trifling compared with the large agreements which exist between them. I am bound to say that my estimation of the committee's bill has grown with my study of it. It is manifestly the result of much profound thought and a high order of invention, to which, apparently, many minds have contributed. It is the most elaborate and far-reaching monetary scheme ever proposed to the people of the United States. There is so much of it that is good beyond question, and so valuable, that I would take it all as it stands rather than lose it all. At the same time it contains many things to breed interrogation points in your mind. You feel that it wants discussion—the turning on of many lights from many points. That it is capable of development by the process of discussion into a wise, symmetrical, beneficent law is not to be doubted.

FRIENDS OF MONETARY REFORM SHOULD UNITE.

The important question, the question, to which all that I have said is preliminary, is this: What shall be the attitude of the friends of monetary reform toward the bill? Shall every one who sees something in it which he does not like simply stand as an objector and cast his voice and influence against it? Or shall we all, without restraint of free discussion and with frank expression of opinion by each on all points in respect to which he believes improvement can be made in it, unite in urging consideration and passage of the bill? There is no inconsistency in such an attitude. If you write to your Congressman simply that you are opposed to the bill for this reason or that, it is notice to him that if he wants to please you he shall vote against it. If a dozen of his constituents write him similar letters, based on a dozen different objections, he will naturally conclude that the safest thing for him to do is to do nothing. But suppose, after stating your objections, you say, "Nevertheless, I hope you will push the bill; amend it, if you can, to meet these views; make it as perfect as you can; but push it." Suppose the last words of every letter sent to Washington were "push it." Suppose every newspaper editorial, every magazine criticism, every correspondent's communication could be wound up with a snapper in the same words; "push it;" do nothing hastily; think about it; discuss it; amend it; hear every man's suggestion; but keep it alive and going; "push it."

The movement inaugurated at Indianapolis is working toward success in the only way in which success is possible. When it began the country was ignorant of the perils of the situation. Not one in five hundred of the voters understood the state of the law. The friends of sound money generally supposed that free silver was dead because Bryan had been defeated, and with that they were content. They did not see that the danger was imbedded in the law, and that the law remained unchanged. Not one in a hundred really understand the situation now. But a few do. And those who do have pressed the subject so vigorously upon the attention of Congress and the public that it is now fairly well understood at Washington, and by a considerable number of the people. That is, the unsoundness and hazards of the legal situation are coming to be understood, which is, of course, the first step toward reform.

The work of the commission in formulating a plan, and the approval of its recommendations by the second Indianapolis convention, concentrated the forces of reform upon a fairly definite line. The introduction of the Overstreet bill brought the plan before Congress. The bill reported by the committee contains the fundamental principles of that plan. It stands before the country as the fruit of the Indianapolis movement. A hundred and fifty members of the House have signed an agreement to support an order for its consideration. It was hoped that it might be taken up and passed in the House before the adjournment of the recent session. But while the only course practicable to the representatives of the Executive Committee of the Indianapolis Convention was to bring the bill to consideration and passage if possible, it is open to fair question whether it is not better for the cause that they did not succeed to that extent. The bill is not ripe for passage. It wants further and more general discussion. The absorbing questions attending a state of war have made such a discussion impossible. Its passage by the House in any form would have made it the platform of the money reformers, whether they would or not. It would have been attacked in detail from every stump in the land. It would have been a veritable feast for demagogues and cranks. Against this sort of assault, which requires not sense, honesty, nor knowledge in the assailants, the friends of the bill could not have made adequate preparation for defense in the short time which remained. A great political campaign requires the services of an army of speakers and writers. To prepare this army for the intelligent discussion and defense of all the details of the bill as it stands in time for the campaign of 1898, would have been impossible. We would have been compelled to make the fight under enormous disadvantages.

If the bill had been a simpler one—dealing only with the question of the standard and the means necessary to make its maintenance secure, the questions would have been so closely akin to those of 1896 that the veterans of that campaign would have been ready on short notice for another. Such a bill would have given us a good platform. But the present one is too long and involved and presents too many debatable points to serve that purpose well. I am free to say, therefore, that upon a careful review of the situation after the passing away of that sense of disappointment with which I heard of the failure of the House to take any action on the bill, I believe that it is altogether for the best that all was done that was done, and all else left undone. We shall go to the country, not upon the details of the bill, but upon its general principles. These we are ready to discuss and defend.

A political victory of the forces which carried the last election will be a mandate to Congress to proceed with the bill. The leaders of the Republican party and the influence of the Administration are in effect and fact committed in its favor—not in its details, for these are yet to be settled, but in its main scope and purpose; and this, not by any formal action, but by so many and such distinct assurances that the fact may be relied on.

The friends of monetary reform have a right to be jubilant. The great work which they undertook a year and a half ago has been carried forward with a degree of wisdom, energy and system without a parallel in our history. Not a serious mistake has been made. The chairman of the executive committee has devoted himself to the work as we are commanded to love the Lord—with all his heart, and all his soul, and all his strength and all his mind; and his neighbor as himself. The skill and ability with which he has discharged his difficult duties have been beyond criticism.

The stars in their courses are with us. The rain, the sunshine, the crops, the times, are all our friends to-day. But they are fickle friends. They go over to the enemy to-morrow. If we would use their friendship, we must accept it when it is offered. Now is the very crisis of the movement. Eighteen months of brilliant effort are behind us; in as many more the story will be told, for better or worse.

I appeal to you, therefore, bankers of the Empire State, to stand by this great work with unabated devòtion. Not that it is more to you than to others; for it is not. You can take care of yourselves in all weathers. It is to the citizen at large—the farmer, the mechanic, the workingman; men who win the bread of to-morrow by the labor of to-day, that a certain, stable, honest currency means most. But you know the evil and you know the remedy better than the body of your brethren. That vantage ground of knowledge, and the responsibilities which attach to wealth and influence put it upon you to think for them, work for them, and spend for them.

Above all, I beg of you not to let difference of opinion on details of the bill dampen your zeal in its behalf. There is no danger of its premature passage. It will be discussed in the House and the Senate and the country in every part and feature before it can become a law. It will represent when passed the best solution of the money question of which Congress and the people are capable. In such a matter we must necessarily trust at last the wisdom and patriotism of Congress. We never can do more than to elect the best Congress we can, give it the best advice we can, and abide the result. There never was and never will be a better time to do that than now.

THE PRESIDENT: Gentlemen, this very admirable paper is, like all papers submitted to this convention, open to discussion. We shall be glad to hear any discussion of it, or of the subjects treated of in the paper.

MR. TRIPP: Mr. President, ought we not to take some action in regard to the matter as to which Judge Taylor in his paper has urged action?

THE PRESIDENT: I would suggest that that subject will come up for consideration to-morrow in the report of our committee on resolutions.

MR. TRIPP: Very well, sir, as long as it receives some action.

THE PRESIDENT: Ever since the old bankruptcy law was repealed we have had numerous propositions pending in Congress to enact a new bill; sometimes they have passed in one House and failed in the other; and we have been disappointed so many times that we have come to regard the question of a bankruptcy bill as one of the pending questions unsolved and unsolvable, and when recently we were advised that a bankruptcy bill had become an actuality we were agreeably surprised. As only a few days intervened between the bill receiving the President's signature and our assembling here, we had not much time to consider it; but I conferred with members of the Produce Exchange and Board of Trade with reference to ascertaining who was the most desirable man to call upon to discuss the subject before this convention, and it was the consensus of opinion that if we could secure the services of Congressman Ray he would be the best man for the purpose. He had a great deal to do with the passage of the Act, and is thoroughly familiar with its provisions. He very kindly responded in the affirmative to my request that he come here and address us on this subject, and I now take pleasure in introducing Hon. George W. Ray.

THE NEW BANKRUPTCY LAW.—ADDRESS OF HON. GEO. W. RAY.

Mr. President and Gentlemen of the New York State Bankers' Association—It is with pleasure that I meet with you to-day at the request of your honorable president.

I am pleased to be with you here to-day to make the acquaintance of so many bankers. In Congress we are accustomed to hear a great deal about "money sharks," and this is the first time I ever saw so many sharks together in one body, and I am surprised to note how like human beings you look, how handsome you are, and how generous hearted you must be. I am interested in bankers and have been for many years, especially in my own locality, and the bankers in my locality are specially interested in me because of the fact that my name so frequently appears in promises to pay in which they are interested; that however is necessarily true with regard to all men who engage in politics.

The most important permanent legislation enacted by the 55th Congress, aside from the annexation of Hawaii, is the "Act to establish a uniform system of bankruptcy throughout the United States." This Act was approved July 1, 1898, and went into effect immediately except as to the time when proceedings may be instituted. This law is the result of constant, unremitting labor and thoughtful study on the part of the Committee on the Judiciary of both the Senate and House of Representatives in every Congress since the 50th. The bill that became a law, with some modifications and material amendments, was introduced in the House by Hon. David B. Henderson of Iowa, Chairman of the Committee on the Judiciary. To Mr. Henderson the thanks of the whole country are due. A broad-minded and cultivated lawyer and legislator, he has labored in and out of season to perfect the measure. Senators Nelson, of Minnesota, Hoar, of Massachusetts, and Lindsay, of Kentucky, are also deserving of great credit, as each of these accomplished legislators and learned lawyers worked faithfully to perfect the bill.

For eight years as a member of the Committee on the Judiciary of the House, now being the member of longest service on that committee, and especially as a member of the sub-committee of that committee, and as a member of the conference committee between the two Houses having this legislation in charge, I have given the subject most careful study and have listened to the arguments for and against the legislation with deep interest and patient attention.

GENERAL DEMAND FOR A BANKRUPTCY LAW.

The demand for a National law on this subject has been universal—it has come from all sections and from all classes except two, the very rich who invest in real estate for rental or in Government or municipal bonds and do no manufacturing or commercial business, and the lazy and shiftless or criminals who do nothing except beg or steal and who therefore neither give nor expect credit.

The South and West have been the most anxious and insistent for a law on the subject, but have not been more deeply interested than the great manufacturing and commercial interests of the Northern and Eastern States.

The struggle has been between the advocates of a purely voluntary law and those who demanded one containing both voluntary and involuntary features. The Democratic and Populist parties as parties, or perhaps I would better say the greater number of the Senators and Representatives in Congress elected by those parties, have earnestly and persistently contended for a purely voluntary law, while the Republican and Democratic Senators and Representatives from the North living east of the Mississippi River have been substantially unanimous for the law as finally enacted. All bankers, large manufacturers and commercial men have demanded and justly insisted upon a law containing both voluntary and involuntary provisions. A purely voluntary law simply enables debtors to obtain an absolute discharge from all their debts and hence encourages extravagance, dishonesty and frauds. Such a law may be hedged about with conditions forbidding discharges in certain cases, but these would be easily rendered nugatory by a change of residence, as creditors could not afford to pursue debtors into distant States to oppose discharges. If a law is written upon the statute books that permits persons to run largely in debt, waste their property in riotous or extravagant living, or conceal it for future enjoyment, and then obtain a full discharge from their pecuniary obligations, a broad field is opened for the rascals, the dishonest, and temptation is placed before all, for however wild their speculation, however large their indebtedness, such a law discharges the debtors and they are free from the chains of debt and at liberty to seek pastures new and fresh victims in other sections of the country. Such a law is in the interest of the debtors alone, and affords no protection and gives no benefit to creditors. Such a law does not extend, encourage or strengthen credit. Such a law does not extend or encourage trade, commerce or manufactures. The creditors must be provided for and protected, enabled to take the property of failing debtors and apply it to the payment of the debts due them when they see it being wasted or improperly disposed of.

We have, scattered through our great and growing country, thousands of honest and able business men who, through no particular fault of their own, have lost their property and are now under a burden of debt they cannot hope to lift, and hence, while some do business in the name of third persons, others, hope being abandoned, have become mere drones in society and the business world is deprived of their aid.

All these persons of every class and condition may avail themselves of the benefits of the bankruptcy law enacted by the 55th Congress, free themselves from the fetters of pecuniary obligations they cannot hope to pay, unless incurred through some fraud or wrong, and start life anew. Such men aided by this law will be able to hereafter avoid the rocks and shoals of the business sea and may, and thousands of them will, become active and useful men in business circles and add to the commercial honor, enterprise and strength of the nation.

PROVISIONS OF THE NEW LAW.

Proceedings under this law may be instituted in the district where the alleged bankrupt has had his principal place of business, resided or had his domicile for the preceding six months or the greater portion thereof. This provision was very essential for the protection of New York city creditors.

Under the involuntary provisions of the bill those who convey, transfer, conceal, remove or permit to be concealed or removed any part of their property, with intent to hinder, delay or defraud a creditor, may be declared bankrupts, if insolvent, and an equal distribution of their property among all their creditors had. Those who make general assignments under State laws may be adjudged bankrupts, and of course the assignment is superseded by the bankruptcy law. Those who, while insolvent, transfer property with intent to prefer one creditor over another, or who suffer one creditor to obtain a preference over another by legal proceedings and do not discharge such preference at least five days before a sale or disposition of the property affected by it, may be adjudged bankrupts.

Liens of any kind to secure pre-existing debts given within four months prior to the filing of a petition are to be set aside and are declared null and void if the party proceeded against is adjudged a bankrupt.

Corporations cannot become voluntary bankrupts. Banks, both National and State, are left to be wound up under the provisions of the laws creating them; they cannot be adjudged involuntary bankrupts. Private bankers may be. It is readily seen, whatever may be said as to banks incorporated under State laws, that National banks organized under the laws of Congress should be wound up, when necessary, under the particular laws applicable thereto and made for that special purpose. My personal judgment is that State banks should have been subjected to the involuntary features of the bill.

It will be noted with interest by the members of this association that great care must be exercised in taking security for old debts. The bill provides that no person shall be adjudged an involuntary bankrupt unless he was insolvent when the act of bankruptcy was committed (except in the case of conveyances, etc., with intent to hinder, delay or defraud creditors, when insolvency at the date of filing the petition is sufficient). Section sixty-seven is very broad and sweeping in declaring null and void all liens given or suffered by judgment, conveyance, mortgage or otherwise as security for pre-existing debts. This Act is subsequent to the National Bank Act, and as they will be construed together it will probably modify the latter to some extent as to securities taken for old debts. The effect will be to compel National banks, would they be safe, to insist upon the prompt payment or renewal of all commercial paper, and the prompt payment of all debts owing by persons subject to the involuntary provisions of the Act. This course will strengthen the banks and secure for them greater confidence. Debtors to the bank will also be benefited. Promptness in business, especially in the payment or renewal of bank paper, is beneficial to both bank and debtor. Loose business habits are ruinous to debtors and creditors alike.

Attention is directed to the fact that while certain corporations may be adjudged involuntary bankrupts, others cannot be. Our great railroad, transportation and insurance companies are left to be dealt with as heretofore, but corporations engaged principally in manufacturing, trading, printing, publishing or mercantile pursuits, and owing debts to the amount of one thousand dollars or more, are subject to these involuntary provisions. Certain incorporated mutual benefit associations ought, in my judgment, to have been included, but were not.

It has, of course, come to your attention that persons engaged chiefly in farming or tilling the soil and wage earners, defined to be persons who work for wages, salary or hire at a compensation not exceeding fifteen hundred dollars per year, while entitled to the benefits of the Act, are not subject to its involuntary features, and, therefore, the provisions as to securities and liens for pre-existing debts have no application to them. Credit given these persons is largely local, and they may be pursued under State laws which are adequate in such cases.

ECONOMY IN CLOSING UP BANKRUPT ESTATES.

The Act provides for the speedy and economical administration and settlement of the estate of the bankrupt. Only two new offices are created, the referee and the trustee. The former is appointed by the court, at least one in each county, and the latter is elected by the creditors. So far as possible the transaction of the business is brought to the doors of the interested parties. Fees and expenses are cut to the lowest possible amount consistent with a proper administration of the estate, and as the officers receive no compensation until the estate is wound up every inducement is in favor of a speedy settlement. The law is so guarded that estates cannot be absorbed in fees and expenses. The law itself prescribes largely the procedure so that the practice is uniform and the employment of a large number of attorneys or collectors is unnecessary. A whole chapter is devoted to "definitions," so as to make the law intelligible and save litigation. The funds of the bankrupt estates are to be deposited in banking institutions designated by the court and disbursed on its order. Controversies may be settled by arbitration. Appeals are so limited that the matters in controversy cannot be long kept in court or the estates wasted by dilatory or experimental litigation. Proceedings before referees are at all times subject to review and correction by the court itself so that all errors may be corrected as the settlement progresses without delay or appeals. So interlocutory orders may be speedily reviewed without formal appeal and delays are thus avoided.

The duties of bankrupts are carefully prescribed, and among other duties they must fully schedule their property, creditors and indebtedness and attend for examination when required. Provision is also made for their arrest and detention for a reasonable time when necessary for the proper administration of the estate. Compositions with creditors, approved by the court, are authorized and encouraged, but may be set aside if fraud is practiced. Offenses against the Act are carefully prescribed, and the debtor may be discharged from his contract debts (not including judgments or causes of action for damages, torts or frauds) if not guilty of any offense and he has not with fraudulent intent destroyed, concealed or failed to keep books of account or records from which his true financial condition might be ascertained. This will tend to make business men careful and correct in keeping full accounts of their dealings. Such discharges may be revoked if fraud is practiced in obtaining them.

Referees, trustees and depositories are to give bonds, and generally every precaution is taken to secure the preservation and speedy distribution of the estate among the creditors. Ample provision is made for the discovery of the estate of a bankrupt, and all persons having knowledge of his property or dealings may be examined in reference thereto at any time.

Creditors who have secured preferences within four months must surrender them before they can prove their claims, and a preference is deemed to have been given if the debtor has transferred property as security or in payment or procured or suffered a judgment to be entered against himself, and the effect of the enforcement of such transfer or judgment will be to enable one creditor to obtain a greater percentage of his debt than any other of the same class. The law seeks to secure equality among creditors when their debtor is insolvent and adjudged a bankrupt, as equality is equity, and thus end the practice of borrowing large sums of money or purchasing large amounts of property on credit and turning it over to one or a few favored friends or relatives in payment of old debts, real or fictitious, to the exclusion of all others.

The one creditor cannot profit at the expense of another, and frauds will be reduced to a minimum. The estate is to be distributed as follows:

1. Expense of preserving the estate.
2. Expenses of administration.
3. Taxes.
4. Wages due to workmen, clerks or servants earned within three months before petition filed and not exceeding $300 to any one claimant.
5. Debts due persons entitled by the laws of the United States or of a State to priority.
6. General debts.

Provision is also made for taking possession of the property of an alleged bankrupt prior to adjudication so that it shall not be wasted or allowed to deteriorate. In such case bonds must be given to compensate the debtor in case the allegation of bankruptcy fails. The title to the property of the bankrupt, including all choses in action, rests in the assignee when appointed. Payments by the bankrupt in anticipation of such a proceeding for legal services to be rendered are subject to the scrutiny of the court, and may be recovered if excessive. The alleged bankrupt is entitled to a trial by jury on all material questions. The jurisdiction and powers of the court are fully and clearly defined. Alleged creditors of the bankrupt can be sued by the trustee in that court only where the bankrupt, if not so adjudged, might have proceeded. Generally the jurisdiction of State courts over contested matters is retained so far as consistent.

OTHER ADVANTAGES OF THE NEW LAW.

This law when enforced will (1) secure the fair, honest and equal distribution of the estates of failing debtors of the same class; (2) prevent frauds and impositions upon the producing, manufacturing and commercial classes; (3) promote and compel honesty and fair dealing; (4) make the collection of debts more speedy, easy and far less expensive; (5) create, extend and strengthen confidence and credit in banking and business circles; (6) encourage manufacturing industries and build up and extend both inter-State and foreign commerce; (7) the more firmly cement the union of the States by bringing the various sections of our country into closer and safer social, business and commercial relations, with the common purpose of promoting and securing the permament growth and prosperity of our whole people. Incidentally, but directly and necessarily, every National bank will be benefited. It is well known that the capital invested by the stockholders in a banking enterprise will of itself bring but little if any return. The bank cares for the money of others without charge; has and exercises the right to turn these dollars over and over among those who seek and require loans, and from this source derives a profit if the people are prosperous, business is active and credit maintained. Hence it is that prosperous banks are found in prosperous communities. Prosperous business men of all classes and prosperous banks and bankers are found side by side, each aids the other and all grow financially strong together.

The National Bankruptcy Law has not been framed in the interest of any one class, but in the interest of all. It cannot possibly harm any individual, corporation or business. No provision of the law can be used to oppress the debtor or give the one creditor an advantage over another. When in full operation the South and far West may ask and the North and East may safely give reasonable credit with the assurance that if misfortune overtakes the debtors the Boston, Philadelphia and New York creditors will share equally with those residing in the immediate neighborhood of the unfortunates. This law will discourage wild speculation, mad plunges into debt, swindling operations of any magnitude, and do much to make profitable and give stability to all our manufacturing, commercial and monetary industries and institutions.

The rapid growth and development of our people and increase of their necessities and wants, the remarkable productive capacity of the nation, both in agricultural products and in manufactures, the wide necessity for an interchange of commodities between sections, our vast territory, the ease of communication between all the States by post, telephone and telegraph and of transportation by rail and water, and the fact that money seeking legitimate investment is largely in the North and East, have made a general and uniform system of bankruptcy throughout the United States necessary. The diversity of State laws affecting commercial and credit transactions has made the granting of extended credit expensive and perilous.

Our fathers foresaw these conditions, and wisely vested in the Congress of the United States power to enact a uniform and comprehensive law. The States are powerless even by concerted action to enact laws adequate to meet the conditions that confront us.

Our nation is one hundred and twenty years old. During the greater part of this period we have been without a national bankruptcy law. The last one written upon the statute books was unsatisfactory and unpopular because of its harsh and drastic features, the delays in its administration and the expensive methods which usually swallowed up estates in fees, costs and commissions, leaving nothing for creditors. Debtors failed, creditors grew lean while bankruptcy lawyers and officials grew rich. The law became so unpopular that it was repealed. With the experience of one hundred and twenty years as a guide the 55th Congress has, in my judgment, avoided the mistakes of the past and enacted a law that can work no injury, but will do much to add to the commercial and financial strength and honor of our rich and glorious nation.

It is not claimed by the friends of this law that it is perfect from the creditor's standpoint or all that it ought to be. In some respects it is a compromise measure. Compromise was necessary if we would secure a bankruptcy law. But creditors may be assured that under its provisions their rights cannot be sacrificed. It is not designed as a general collection law or a general substitute for State laws providing for the collection of debts. Still, in many cases it will so operate. This is not the purpose of a law establishing a uniform system of bankruptcy. The main purposes of such a law are to secure the fair and equal distribution of insolvent debtors' property among all their creditors, without preferences except to those classes who ought to be preferred, when it appears that such debtors are so involved as to be unable to further prosecute their business successfully or are wasting or fraudulently disposing of their property, and discharge the honest ones and enable them to commence business life anew. In my judgment no man who has dealt dishonestly or fraudulently with one or more of his creditors ought to be discharged from any debt without the payment thereof in full unless with the full and free consent of the creditors. This bill is, to my mind, defective in this particular, for it permits a debtor to be discharged from debts not contracted through fraud when he has been guilty of contracting one or more fraudulent ones. Debtors who come into a court of bankruptcy and ask to be discharged from their financial obligations ought to present a clean bill of health as to each and every transaction involved in the adjudication. In my judgment our laws cannot be too strict or too severe in dealing with those who knowingly and deliberately engage in fraudulent business transactions. I would have our debtors and creditors deal honestly with all in order to be able to avail themselves of any of the benefits of a bankruptcy law. However, as the law errs on the side of mercy without doing wrong to the individual creditor in any case, and as its imperfections are in the interest of debtors and but slight when compared with the vast good it will accomplish in the commercial world, business interests have quite generally commended it as a most meritorious measure and a valuable addition to the statute law of the United States.

It will be observed that in some cases the burden of proving solvency when the petition is filed is cast upon the alleged bankrupt, while in other cases he must appear in court with his books and papers and submit to a full examination, and in case he fails so to do the burden of proving solvency as a defense is cast on the defendant. These provisions are wise and just, for the debtor who has committed a wrong against his creditor by conveying, transferring or concealing property with intent to hinder, delay or defraud, or who has transferred property with intent to prefer one creditor over another, should have the onus of showing that his acts have done no harm and that he has ample property remaining to meet all his pecuniary obligations. These provisions are in the interest of justice, and when those most deeply interested in this law see how careful the Congress has been to protect and preserve the rights of all, how completely the management of the estate is devolved upon the creditors themselves aided and supervised rather than controlled by the court, the general verdict must be that we have a law on this subject that will stand the test of time and meet universal favor.

Those who opposed the enactment of the measure because it confers additional powers on the United States courts will have no reason to complain of its workings. The time has gone when any considerable number of our people fear the national courts or judges. With the growth of our country the necessity and usefulness of uniformity of law, uniformity of its administration and of a strong but not oppressive central government become more and more apparent. The truth that the United States is a Nation is becoming better understood and generally acceptable wherever our flag floats. Our national banking system is the best the world has seen. It may and ought to be extended, improved and popularized, while the Government itself should cease to issue paper money or do any kind of banking business. That sound money and reformed currency legislation will come, that it is not far distant, is certain, and the facts that this National Bankruptcy Law, their forerunner, meets with such favor, that the North and South are to-day nearer together in social, business and patriotic purpose then ever before, demonstrate that whatever is shown to be conducive to the general good morally, intellectually, commercially and financially will meet with popular support and approval.

THE PRESIDENT: Gentlemen, this paper is open to discussion.

MR. DEXTER: Mr. President, since no one rises to discuss this paper, I rise to express what I believe is the unanimous sentiment of this convention, that the first paper which was read to us this afternoon, on the subject of the pending Currency Bill and in relation to the work of the Monetary Commission, was listened to by every person here with the greatest interest, and I move that the thanks of this association be tendered to Judge Taylor for his able and carefully prepared address.

MR. TROWBRIDGE: It affords me great pleasure to second that motion.

THE PRESIDENT: All in favor of the motion will manifest it by saying aye —opposed, no. Carried.

MR. NASH: I move that a vote of thanks be also tendered to Congressman Ray for his excellent address.

MR. RAINEY: I second that motion.

THE PRESIDENT: All in favor of the motion will manifest it by saying aye —opposed, no. Carried.

As there is nothing further on our programme for this afternoon, we will stand in recess until 1:30 o'clock to-morrow.

Adjourned to Saturday, July 23, 1898, at 1:30 P. M.

SECOND DAY'S PROCEEDINGS.

The President: Gentlemen, it is a little past the hour at which we were to convene, and you will now come to order. The Rev. Mr. Mosher will lead us in prayer.

Prayer.

Most powerful and glorious Lord God that ruleth and commandeth all things, that sitteth on the throne judging the right and the wrong! Hear us, thy servants, who implore thy help and thy guidance in the work that is before them. Direct and prosper all their deliberations, to the advancement of thy glory, that their affairs may be settled upon the best and surest foundation, and peace and happiness, justice and prosperity may be established among us.

Be graciously pleased to take us and all things belonging unto us into thy care and protection, and grant that we may show forth our thankfulness by walking before Thee in holiness, and rejoicing all our days. Through Jesus Chrst, our Lord, to whom with Thee and the Holy Ghost be all honor and glory, world without end, Amen.

Mr. Dexter: Mr. President, a pleasant duty has been assigned me in the discharge of which I ask to interrupt for a moment the regular order of business.

To hold the office of President of the New York State Bankers' Association is a high honor in itself. To conduct its affairs during one's term with fidelity, ability, and with the success which has characterized your administration, sir, worthily crowns that honor. With a military leader the sword is a symbol of his leadership and his power. The New York State Bankers' Association is an organization of peace, and in an organization of peace there is a symbol for its leader, showing his leadership and the power which he wields.

I am requested by the members of the New York State Bankers' Association to present to you at this time this beautiful gavel as a symbol of your leadership of this association of peace, and to present it at this time that you may use it during the remainder of this the closing hour of your administration. And when the meeting is closed and your successor takes up his leadership, you may take this gavel with you as a memento of the high regard and appreciation in which the members of this association hold you, and we trust that it shall ever be to you a reminder of the many pleasant ties of friendship and good will which have been cemented during your term of office and which we feel will never cease while those with whom they have been formed still remain with us.

The President: Judge Dexter and Gentlemen of the Convention—One year ago, at the end of a very graceful speech, I received at your hands a gavel belonging to this association which had been used by yourself and each of your predecessors. I accepted it then with diffidence, fearing that we might not be able to maintain the high standard of excellence that had characterized preceding administrations. I little thought then to be the recipient of a second gavel at your hands this year.

Aside from one's own conscience, perhaps the best criterion of right and wrong is the consensus of public opinion. It follows naturally, therefore, that any manifestation of approval of our associates is peculiarly gratifying to one's sensibilities, and if that manifestation goes a little deeper and evidences esteem or affection, it touches tenderer chords and wakes responsive echoes from our innermost being; it rouses feelings easily understood, but exceedingly difficult to portray in language. No one is more sensitive to criticism than I, and I trust no one more responsive to the good fellowship and good opinion of his friends.

This beautiful present, in form suggesting our past relations and very pleasant association, appeals to me more strongly and deeply than I can express, and if in accepting it I am compelled to fall back upon that simple but good old Anglo-Saxon expression, "I thank you," I beg you to believe that in doing so I fully appreciate your kindness and courtesy, and receive it with the deepest feelings of gratitude. I shall cherish it ever and preserve it as an heirloom in my family as tangible evidence that at one time the recipient was held in good esteem by the members of this distinguished association.

SECRETARY FREW: I would announce that the following telegram has been received from the Maryland Bankers' Association in response to your telegram to them yesterday:

OCEAN CITY, MD., July 22, 1898.

A. B. Hepburn, President New York Bankers' Association:

The Maryland Bankers' Association reciprocate with great pleasure the kindly greetings of the New York State Bankers' Association.

LAWRENCE B. KEMP, *Secretary.*

THE PRESIDENT: Has the chairman of the committee of arrangements any announcements to make? If not, we will proceed to the regular order of our programme.

Mr. Boocock, of New York, Secretary of the National Association of Credit Men, has come here to address us on the subject of the community of interests between mercantile and bank credits, and I take great pleasure in introducing to the convention Mr. Boocock.

THE COMMUNITY OF INTERESTS BETWEEN BANK AND MERCANTILE CREDITS.— ADDRESS BY F. R. BOOCOCK.

Mr. President and Gentlemen—It is an honor to bring to your organization the greeting of the National Association of Credit Men. Representing progressive and substantial institutions, and striving for advanced and more perfect principles and systems of business. the interests of both are so interwoven and intimate that it is but fitting that a most cordial fraternity should exist between these two kindred organizations.

We do well to continually emphasize the mutual dependence of banking and commerce upon each other, and to more clearly realize the relations that each must sustain to the other. Banks find their truest prosperity in commerce, while commerce depends largely upon banks for its expansion and vitality. The respective representatives of banking and commerce should, therefore, promptly support any movement inaugurated for the welfare of either, for it is impossible to solidify the one, enlarge the other, and perfect both without an equal measure of benefit resulting to each.

You will agree with me, I am sure, when I assert that it is indeed a worthy purpose to advance, elevate and perfect the principles and practices of our credit system. If I am correct in my statement that banking and commerce depend upon each other for their vitality, and that both rest upon credit for their prosperity and power, then I am equally correct in saying that any movement which places credit upon a safer and more substantial basis demands and is entitled to receive the support of both banking and commerce. It is the abuse of credit, as with money, that is the root of evil.

WEAKNESS OF OUR CREDIT SYSTEM.

Nothing, perhaps, was more clearly demonstrated during the last few years of depression than the weakness of our credit system. Weakness in every connection that is essential to the strength of the entire system. In legislation, in business customs, in confidence, in banking and in co-operation. It is not sufficient to explain that panics are occasioned by lack of business, due to the contraction of wants and the paralysis of our manufacturing industries. There are other factors lying deeper and not so easily recognized, and I venture to say that reduction in trade has less to do with the majority of failures than has the abuse of credit—abuse both in the asking and giving of credit. In fact, I believe that the abuse of credit largely occasions reduction in trade.

In 1892 we witnessed a phenomenal year in business activity. Credit was used to its fullest extent and freely permitted. Consumers bought lavishly; retailers stocked their stores to their greatest capacity; wholesalers ordered extravagantly from manufacturers, and manufacturing industries ran night and day to supply the demand. The market became congested and stagnation ensued. The collapse found hundreds of business houses with immovable stocks of far greater proportion than good judgment would justify, and the liability for which occasioned their embarrassment. On the other hand hundreds of business houses had been so loose in the extension of their credits, and so lenient in their collections, that the depression found them with enormous stocks and large outstanding accounts, and heavy losses inevitably followed. It was the houses whose credits were intelligently managed, and whose collections were promptly made, that found it possible to the more easily and securely withstand the panic. With less failures there would have been less consternation, and with more confidence would have come quicker recovery.

Still another weakness in our credit system to which I would refer was emphasized by the period of depression. The lack of knowledge, occasioning lack of faith, which the banks had of and in the character and capacity of our merchants, resulting in the contraction of their loans. The mission of banks should be, not solely to aid commerce in times of prosperity, but more especially to extend assistance when conditions are weak and financial support is vital to continued activity. In times of panic the banks should not contract their loans to reputable merchants, but expand them. This mission can never be safely nor perfectly realized until there is a better understanding of the functions of the credit department, broader views are entertained of the obligations existing between banking and the mercantile community, and more liberal ideas prevail as to the intimacy that should justly exist between debtor and creditor.

Unfortunately banks have exercised with great tenacity, and I think with considerable misjudgment, the custom of loaning merchants in many cases upon the absolute assurance of protection in case of disaster. This has caused an absence of conscientious and intelligent examination of the affairs of the borrowing merchant to the end, oftentimes, of a careless expansion on the part of the given debtor, resulting in a failure which has paid nothing to any creditor except the bank. Thus has the bank failed in its obligation to the commercial world, unintentionally fostered a failure which has upset local condictions, injured its own opportunities and shattered confidence.

Every failure that transpires has an influence upon the business and banking conditions of the country. A bank's prosperity rests largely upon the successful operation of business enterprises, and any failure in which any bank is interested decreases its dividend-paying ability, notwithstanding the fact that it may have escaped loss by the transaction.

A failure anywhere takes out of circulation just that extra amount of capital which the prosperous condition of that ndustry and the attractive display of its wares would seduce from the pockets of the populace. The bankrupt sale of any stock takes out of circulation just that amount of capital for which the goods are sold below the appropriate price. A bankrupt sale demoralizes the local business conditions in the same line of industry, not only for the period of its duration, but also for months to follow. The circulation affected by these bankrupt sales is, therefore, not alone experienced by the local banks, but also by every bank whose depositors figure as creditors of the retail merchants of that locality.

Why are bankrupt sales permitted ? Simply because at the present time there is no other apparent method of disposing of an insolvent's stock. Why are there so many insolvents ? Simply because credit is cheap and customs indefensible. Banks too frequently have loaned a merchant beyond his justifiable limit because of the promise of protection. This relief has either not been intelligently handled, or it has urged the merchant to still further expansion; but in either case failure and the bankrupt sale have followed. The bank has then suffered through the influence of such sale to a far greater extent than was covered by the insignificant interest realized on the inflated loan. How much better would be that condition, that by reason of the bank's intimacy with the character, capacity and standing of any debtor, would enable the bank in case of a merchant's embarrassment to go to the creditors and say, "We know this man's integrity and ability, and we recommend granting him an extension, feeling assured that he will pull out of his difficulties." More conscientious and exacting care as to bank credits will overcome many conditions that to-day operate to retard business from attaining the safety and prosperity of which it is capable.

THE NATIONAL BANKRUPTCY LAW.

Under the provisions of the National Bankruptcy Law the similarity between bank and mercantile creditor is strikingly analogous. Banks simply deal in cash instead of merchandise. Credit depends upon the same conditions, and the same abuses are subject to operation. Banks should know every phase of a debtor's standing. His character, capacity, habits, environments, ambitions, financial condition and business methods should be clearly understood by the banking creditor. The right of this inquisitiveness on the part of banks is more generally recognized and respected by merchants than is the same investigation by commercial houses.

Money has assumed the power of dictation in credit which merchandise has not yet acquired. By this very ability to be more thorough in their investigation, there is a responsibility resting upon banks in the establishment of better credit customs, and more liberal views as to the relationship that should justly exist between debtor and creditor.

Banks, however, are only sparingly exercising their prerogatives, and they fail far too often to exhibit the caution and deliberation to which they are entitled. If banks, therefore, are loose in credit practices, mercantile houses can scarcely dare to be more exacting, and with both banks and mercantile houses careless in credit giving we leave the door open to corrupting abuses, to dishonest practices, and to deplorable conditions. It is reserved to the banks to indicate the perfection to which our credit system may attain, and upon their principles and practices will depend largely the progress we shall make toward that goal in the credit world to which we all aspire.

Let us not imagine for a single moment that the passage of a National Bankruptcy Law is going to regulate commercial conditions in such a way as to permit of a reckless or indiscriminate extension of credit. On the contrary, the law will compel a more careful examination of credit risks, for it will force into the general market thousands of business houses that heretofore have been sustained by the support of one or two large enterprises whose risk was minimized by the protection provided. The law will operate to prevent a propped commercial community, and will force business men to stand without crutches. This in turn will demand more perfect credit principles and customs. The protection of the banks will then depend largely upon the completeness of their investigation, the practices which prevail, and the judgment exercised in the extension of credit.

PRINCIPLES APPLICABLE TO A SOUND CREDIT SYSTEM.

This condition leads me to the statement of some cardinal facts which, in my judgment, must be more carefully observed if our commercial status is to be improved and strengthened. In the first place, *character* must play a more commanding prominence in the extension of credit. Capacity and capital may both be in strong evidence, but if character is absent they will often be the factors with which the more stupendous swindle is perpetrated. The man with character and capacity may more often be safely trusted than the man with capacity and capital alone. By reason of the fact that banks can no longer loan upon the promise of protection, they are forced to more carefully weigh every condition that should rightfully determine the merit of a credit risk. This circumstance places a premium upon character, which is one of the grandest features of the bankruptcy law.

The new conditions also demand that a more intimate knowledge of the business capacity of borrowers shall be observed. Has a man the training, skill, and aptitude that will enable him to make a success of the business upon which he embarks ? The consideration of this condition will very largely prevent the man who has made a few thousand dollars as a butcher from entering the dry goods business and borrowing liberally of his bank upon the strength of his alluring surplus and the promise of protection in case of failure. Capacity is the quality without which capital is dangerous and character misleading.

The financial standing of an applicant for bank accommodation will also hereafter demand greater consideration. The estimation of this capital will depend, not upon hearsay evidence, but upon the actual condition as revealed by the signed statement. That this knowledge of details may be intimate and exacting, and that the request therefor may be more promptly and fully complied with, it is appropriate and desirable that uniformity in statement blanks be more generally encouraged.

It is my privilege in this connection to congratulate the New York State Bankers' Association upon being the first organization to adopt a uniform statement blank. The movement you inaugurated will doubtless result eventually in the widest possible recognition of uniformity in this important matter. No credit should be extended except upon a written signed statement, and no credit should be indefinitely continued upon a statement made in the dim vista of the past. If doubt of its accuracy still lingers after the analysis of the statement, either decline credit, or demand the right of expert examination of books. Have your knowledge intimate, detailed, thorough and fresh. With each new inventory demand a new statement, and keep posted upon the management and customs of the enterprise in which you are interested.

In one other direction there needs to be progress, and that is in the fraternal co-opertion existing between banks and the frank interchange of experiences. It is not sufficient to know the financial condition of John Jones & Co. on January first, but it is equally imperative for you to be so fortified as to prevent the floating of several hundred thousand dollar's worth of unjustifiable paper immediately following that date. There must be for your own protection some system devised for an interchange of information that will prevent an extravagant expansion on the part of the enterprise in which you are already deeply interested. An excess of credit is oftentimes a resistless motive to a dishonest failure and a factor in forcing an unwilling one. To restrain credit in proportion to needs is one of the best safeguards to debtor and creditor alike.

The very minute you place bank and mercantile credits upon the same basis, you make banks and mercantile houses equally interested in every movement to improve customs and practices pertaining to credit. We assert that intelligent, concerted and determined agitation, such as the National Association of Credit Men is endeavoring to conduct, will inevitably give to credit a dignity, an importance, a security and a power that hitherto have been missing. Any movement which seeks to establish that condition in which knowledge, customs, principles and co-operation will regulate trade relations in such a manner as to restrain failures and enhance stability, should at once command universal support.

CAUSES OF FAILURES IN BUSINESS.

Why are there so many failures ? Largely because of the ignorance displayed by so many in the conduct of business. Through our business literature department we aim to do what we can to educate merchants to safer and more modern systems of business, and to the adoption of such methods as will increase their profits and encourage their commercial prosperity. Every month there is issued to over two hundred trade periodicals a clipping sheet containing short articles upon some advantageous methods of handling some features of business that have been found in practice both profitable and beneficial. By the authority of our association in convention assembled we are now about to compile in pamphlet form the best articles published during the last year, and circulate widely among retail merchants. In the articles upon "The Merchant's Bank Profits," and "Fresh Stocks," we emphasize in the first place the necessity as well as the value of claiming all discounts offered by wholesalers, and, in order to do so, we advocate borrowing generously of banks and indicate by figures and experience the possibility of thus making liberal profits from bank transactions. In the second place, we illustrate a method of handling goods so as to keep always attractive and salable, thus enhancing the constant value of this asset upon which merchants so frequently must seek bank accommodation. It is possible that during the present year this department of our association will evolve for each line of business a system of bookkeeping that will show at the conclusion of each day's trade the merchant's financial condition, indicate the character and amount of his stock and record the profits that have been realized. With but a ten per cent. advancement in methods of discounting, handling stocks and keeping books, which it would seem reasonable to estimate as the eventual result of our agitation, we will have wrought a condition of inestimable value to banking and mercantile institution alike.

Again, why are there so many failures ? Largely because credit is cheap and customs indefensible. Through our committee on credit department methods we aim to perfect and advocate among wholesalers every system and practice that will make trade dealings safer; that will enhance the ethics of business, and that will establish a more ideal commercial *regime*. During the last year we have originated a uniform trade inquiry form and uniform property statement blanks which have been unanimously endorsed by our association. The present year will doubtless see the development of the mechanical details constituting a model credit department containing every device and system that will insure a complete record of every investigation and account, and that will facilitate a more intelligent, accurate and deliberate dispensation of credit.

We also propose agitating the question of dating in the abuse of which is found the secret of excessive purchasing and oftentimes consequent failure. "Four months before it will be due," is a will-o'-the-wisp that has allured innumerable merchants to destruction. This custom is as damaging to the wholesaler offering such terms as it is to the retailer who receives them, and as it is to the business community which suffers the consequences.

Again, why are there so many failures? Largely because of a lack of thorough, detailed and exact information as to a debtor's moral and financial standing, habits, methods, enterprise and capacity, thus frequently resulting in the extension of unwarranted credit. By virtue of present conditions we are compelled to rely largely upon mercantile agencies for our information upon any debtor. Yet the reports we thus receive are oftentimes so imperfect, so misleading and so incomplete as to render the extension of credit merely a speculation.

Through our department upon the improvement of mercantile agency service we seek to bring the influence of our concentrated energy, and our composite experience upon those enterprises to insure more perfect and reliable reports. Unfortunately I cannot lay before you at this time the details of our efforts, or the specific suggestions we have made for improvement. That our work, however, along this line is recognized and respected is demonstrated in the greater care manifested by the agencies in the character of their reports, both as to intelligent composition and mechanical details.

The influence of a critical and powerful organization, the aim of which is to constantly and competently urge advancement in this important adjunct of business, cannot fail to achieve results of tremendous significance.

Once more, why are there so many failures? Largely because experience has demonstrated that the cause of disaster is rarely investigated and the proffered compromise accepted without hesitation. This condition has created the impression that one of the quickest and surest methods of money-making is to fail and compromise with creditors, and has led to the perpetration of many an irregular and audacious transaction. To meet this difficulty aur department upon investigation and prosecution exists. Upon the receipt of three applications from members of our association for an investigation of a given failure, we take the case in charge, and if sufficient evidence of fraud is adduced by our preliminary examination, we then press vigorously for a criminal conviction. Although the department has been in very imperfect operation for only about eight months, we have still been successful in having one debtor indicted, and have secured very damaging facts against still another. This is a character of work that needs to be vigorously pursued until we make dishonest failures so dangerous and so odious as to render their perpetration largely a thing of the past.

It has not been my purpose to describe the complete workings of our organization, but merely to indicate certain lines of undertakings upon which we are operating for the advantage of the business world In association there is power. The ideals that seem impossible of realization through individual effort frequently blossom into fruition through concentrated energy. Ideals are essential to future greatness, and no ideal is so high as not to inspire improvement by the very influence of its perfection. Therefore, sustain organizations, endow them with worthy ideals, and let there be ever a continuous and mighty impetus toward the realization of their mission.

Mr. President and gentlemen, I thank you for the honor of addressing you upon so important a subject, and in behalf of the organization I represent I invite your most sincere co-operation in the fulfilment of the purposes for which we are striving.

THE PRESIDENT: This opens up the general subject of credits, gentlemen, and this discussion will be opened by Mr. W. H. Rainey, Cashier National Union Bank, Kinderhook, N. Y.

ADDRESS BY W. H. RAINEY.

Mr. President—Anything that pertains to commercial credit must be of interest to a banker. Most of his assets consists of promises to pay, and he is habitually putting his estimate on the value of that kind of property.

In the business of the commercial world, credit is absolutely necessary; it is an agency of incalculable value and power; with it material resources are developed and multiplied and the sum of human well-being increased.

An agency so potent for good in assisting enterprise, and furnishing facilities for success in business, must for that reason be liable to the temptation to its excessive use.

The foundation for credit is ability and disposition to pay, and yet the fact of the possession of these qualities may be and very often is a matter of opinion on the part of the creditor. He has faith in the character, resources and ability of the debtor, as a condition of good credit.

As long as creditors remain satisfied, and existing circumstances and conditions seem to be favorable, and values seem steady, and with nothing occurring to excite suspicion, credits may be extended or continued and increased, until in some cases the amount outstanding may become excessive.

Sometimes this extension of credit in quiet and apparently prosperous times may become general and prevalent through a large extent of country, and then an unexpected or notable failure may occur, confidence may be shaken, and contraction begins, and in the rush to convert assets to meet liabilities margins of value are extinguished, and panic and financial distress may ensue.

Such times can be readily recalled—1857 was an example.

At that time, after the suspension of specie payments, the principle of the clearing-house certificate was developed and I think was then put into practical use for the first time, to alleviate distress and avert further danger.

The financial wisdom of later years has developed this into an agency of incalculable value in times of similar distress, and affords a notable illustration of the power of a well-founded credit, and as a conserver of general credit in such times of peril its beneficence is beyond estimate.

This undue extension of credit does not always take on national proportions, and I venture to say that somewhere cases can always be found of its existence, with its attendant danger of loss.

Under circumstances such as these, where there is a liability to undue extension of credit, it behooves merchant creditors and bankers alike to hail with expressions of approval and encouragement all intelligent endeavors to bring about safer methods of credit in the commercial world, and the National Association of Credit Men, designed with that object, should have our good wishes and a hearty "good speed."

The different classes transacting the business of the community have a common interest; the welfare of one is the welfare of all.

The use of the uniform statement, already recommended by the New York State Bankers' Association, has been extended and is a valuable means in some cases for ascertaining the extent to which credit should be given.

In addition to the general basis for credit there are many details to be considered, and which may be of vital importance, such as a knowledge of the business, careful management, care in giving credit, promptness in collections, prudent expenditures, personal habits and other considerations.

Under these circumstances, it is clear that the giving of credit is no exact science; there can be no undeviating rule.

Characters are different, circumstances are different. Some men always tell the truth, and some do not, and those who wish to tell the truth sometimes unconsciously have their statements colored by their interests, and it would seem that a knowledge of human naure, and especially the individual cases of human nature with whom we deal, would be an indispensable qualification for a successful dispenser of credit.

I remember very well once, years ago, in conversation with a bank President of large experience, he said: "A great evil of our business is a tendency to loan money to customers for permanent use in their business, actually furnishing their capital in business."

I knew a man once who actually doubled the size of a large manufacturing plant, building and machinery and stock to run it, with money borrowed on notes from three banks, and advances by a good-natured commission house.

Surely that is not a good kind of paper for a bank to make very large investments in.

Usually we would consider business paper, paper taken for goods sold and endorsed by the seller, a very healthy kind of an asset, and so it is; and yet I know of a case of a discount line, purporting to be of business paper, made in all sorts of amounts and payable in very many different places, discounted for a concern having a legitimate trade, and selling their goods all over the country, and yet investigation showed that a large fraction of it was actually accommodation paper of the very poorest kind.

There are those who think that "blood tells." When I had only commenced my banking experience, a friend came into the bank one day and said: "If ever a man comes into the bank by the name of ——, to do any business, you must remember one thing—that he is dishonest; it is in the blood; I never knew an honest man of the name."

Subsequent observation rather seemed to justify the remark, and yet I suppose this rule has its exceptions, as all rules have.

I have looked over the names of the officers of the banks in the State of New York, and that name does not appear.

If dishonesty is transmissible by descent, it is hoped that honesty and integrity are transmissible also.

Mr. President, considering the uncertainties that surround this matter of credit, a few of which I have alluded to, by reason of its nature, and by reason of the peculiarities of human nature, it is a wonder sometimes that creditors fare as well as they do, but it is surely pertinent for us to remind ourselves from time to time of the principles that underlie it, and the dangers that beset it, and endeavor to gather from all sources such information as will be of service, and avail ourselves of the knowledge and experience of others, remembering that unceasing vigilance is the price of success.

The test of the value of credit is ability and determination to pay—ability to convert assets into money as fast as necessary.

A debtor to have good credit must have available assets, but he must also have *character*, a character for honesty and integrity, as well as business ability, that would make him a man to be sought and not a man to be feared, as must be the case where he has the contrary qualities.

Mr. President, I am well aware how hard it is to say anything new on this subject to a company of New York State bankers; it is in some respects like preaching; usually a new statement of old cardinal truth, in new and pleasing forms and illustrations and applications, for the better influence on our lives—and it is also like preaching in this, that it is easier to preach than it is to practice.

THE PRESIDENT: I now call upon Mr. E. O. Eldredge, Cashier of the Owego National Bank, Owego, N. Y., to speak to us on this same subject.

A CREDIT DEPARTMENT FOR A COUNTRY BANK.—ADDRESS BY E. O. ELDREDGE.

Has it one?

Does it need one?

What sort of a thing shall it be?

It has been suggested to me by the chairman of our committee of arrangements that the "credit department" of the average country bank is in the head of the Cashier.

This is doubtless true, and the question naturally presents itself, "Is it not right and proper that it should be so?"

The Cashier's head *has* to contain a lot of things. In the smaller bank, where he not only performs the duties which ordinarily devolve upon the Cashier but is at times everything else—teller, discount clerk, assistant bookkeeper, correspondence clerk and all the rest—knows and sees everyone who calls; is supposed to be acquainted with every man, woman and child in the community, and particularly with the financial circumstances of every person in his locality with whom he has, or is likely to have, business—is not this general knowledge all-sufficient?

Perhaps I can best tell you how I find it by giving, if you will pardon the personal element, my discoveries in this line as I set out to establish within the past month or two, at odd times, a "credit department" for our own bank, and to learn if, really, it would repay the trouble

WHAT CONSTITUTES A CREDIT DEPARTMENT.

By a "credit department" I mean not necessarily a particular and separate desk or room, nor a separate clerk or clerks—not even a single individual other than the Cashier was in charge of, or connected with, the one I speak of—but rather a getting into system, careful in detail, of such records as properly belong to that portion of the bank's work which we are considering.

I can conceive how, in a large institution, more elaborate plans should be laid which would entail a considerable expenditure for their proper execution.

In our particular case the total money outlay to date has been one dollar and seventy-five cents for a blank book.

The labor involved has been considerable, but I assume that the banker who is fit to be one is not afraid of work and does not expect to achieve real success without it.

In the book referred to I have attempted to collate, much as would a mercantile agency, the facts with regard to every borrowing customer of the bank which bear upon his or her credit. These are entered somewhat in the form of the statement —the shorter one—prescribed by the State association two years ago and adopted by the group to which I happen to belong.

In addition are recorded points of character, habit and environment, which seem to have bearing upon the case, and particularly is space given to any unfavorable elements in the situation.

Any pertinent scrap of printed matter from the local papers is pasted in; any question of transfer of title or of lien is investigated and noted.

Information from reliable sources, obtained through inquiry or otherwise, as to prospects of success or failure, is also noted.

Sources of information received and those which may be further drawn upon are entered.

Personal signed statements already in hand are pasted in; and new statements as given are written in the book and the maker asked to subscribe to it.

Other details of the entries which naturally suggest themselves, I do not need to elaborate upon, but enough, perhaps, has been suggested to show that such a record, carefully kept year after year, will become an invaluable supplement to whatever general knowledge may be possessed by the "credit man"—be he President, Cashier or other officer—of any bank.

This brings me to the point where I found myself surprised.

I had been particularly careful to enter only what I positively knew, or could learn from unquestionable sources, and my astonishment was to discover how little I really knew.

I venture to say that the bankers of our town are possessed of as much general information regarding their customers as are bankers as a whole, but the fact has forced itself upon me that not only our own institution but each of the others as well was, in a number of cases, granting credits on "general reputation" unworthily.

Statistics show that bank failures, aside from those caused by downright criminal dishonesty and theft, are largely the result of losses from bad debts. I think you will all agree with me that nine-tenths of such losses need not have been sustained had proper care been exercised in granting credit.

Most of us have fair earning power in proportion to the capital we employ. Ability to pay good dividends with regularity, and to make such additions to surplus as are gratifying to the management of a healthy bank, is dependent in no small degree upon the care with which credit is bestowed.

Only when we have learned whom to trust—and this knowledge is not bought except at the price of eternal vigilance—are we masters of the situation.

The difference between what we think we know and the knowledge that we actually possess, as developed in my recent experience, is to me conclusive argument in favor of a "credit department" for the smaller country bank as well as for the more pretentious.

I shall not assume that the plan here briefly outlined is the best that can be devised. I do insist, however, that it is far better than none, and easily carried into execution.

THE PRESIDENT: We will now listen to Mr. A. C. Barnes, President of the Astor Place Bank, New York city.

ADDRESS OF ALFRED C. BARNES.

The giving and recepit of credit is as old as history. Our first parents were appointed conductors of the Bank of Paradise, in which the Creator deposited the total sum of innocent human happiness for the future credit of the race. Eve discounted a promissory note of Beelzebub, which Adam, organized as a board of directors, approved. The result you all know. The first universal bank of humanity went into the hands of a receiver who wielded a flaming sword.

The subject of credit, Mr. President, is the whole business of banking; the rest is detail. The banker who can successfully and safely invest the funds entrusted to him and in due time get back his own with interest, has accomplished his full mission; but right here at this point he requires a remarkable degree of intelligence. To loan and never to lose appears to me on a somewhat short acquaintance to be well nigh impossible. If there is anyone who can boast of such success, we do not want his account in the Astor Place Bank, because he will have forfeited the first condition of confidence, strict and uncompromising truthfulness.

The bank President or Cashier who sits day after day listening to the cheerful song of the prospective borrower, needs to be able to detect the false note in the general chorus of honest voices which belong to the great majority of our clients; but, unfortunately, the jaybird is a great deal better singer than the industrious hen. To be sure, the hen makes a great racket after she has laid an egg; but there is the egg, gentlemen, the note is paid, and a little honest joy is not illegitimate even if it be disagreeable.

The extravagant promisor brings his own antidote. His measure is that he doth protest too much. Beware of the man whose millions are coming in to-morrow's mail. Gentlemen, this is a Spanish trick. All the way back from the time of the relations of Ferdinand and Isabella with Columbus down to the relations between Toral and Shafter, it is always *manana, manana*—to-morrow, to-morrow. Every prudent banker knows this man and does not need any warning, but it is the siren's song of the confidence man that beguiles us. Perhaps, gentlemen, he is our very oldest dealer. His deeds during long years have been deeds of probity and righteousness. He runs to anticipate his notes and always keeps a good solid balance. He has a little scrap with you about the propriety of charging him exchange on his country checks when he gives you such a valuable account. Apparently the last thing that occurs to him is that his credit might be questioned. Now, this man falls on evil times. He brings to the bank the same serene and prosperous brow. With the cunning born of despair and never having had any principle except that policy is the best honesty, he begins to lie with all the genius of the ablest professional liar of them all. His real condition is never suspected until he falls like lightning from a clear sky, and the bolt makes a great big hole right through his too trustful bank, at a point where nobody ever thought of erecting a lightning-rod.

Now, gentlemen, how can we find that fellow out? His career is like the Niagara River, smooth and placid until just before it comes to its tremendous fall. Of course, our knowledge of geography prevents us from venturing too near the Falls, but we have no corresponding science in banking to save us from a similar disaster. I do not know of any way to find that fellow out except by the subtle process of mind reading, and unfortunately that quality has not developed in an abnormal degree, at least, among these shining domes of thought that I see around me. If we could only analyze those convolutions of gray matter while the ancient mariner holds us with his glittering eye, what a blessing it would be! But in default of any infallible fraud detector why couldn't we put up the bars of credit a little higher and require more exacting conditions from merchant princes as well as from the struggling young firm—putting all alike upon a common basis? In the good old times as I used to know of it before I became a part of it, endorsed paper was the universal offering for discount, and it was closely scrutinized by an interested jury of the neighborhood who took almost a gossip's interest in the business affairs of the neighborhood. Shortly accommodation paper was devised to elude this vigilant scrutiny, and about the same time our directors became more busy in their own affairs and more perfunctory in the discharge of their duties as investigators of credit, finally leaving it almost exclusively to the officers of the bank. At last accommodation paper became such a farce that we learned to content ourselves with the single name which had any significance and then single names became the rule and responsibility, security of any kind, the exception.

This, as I understand it, gentlemen, is the evolution of modern banking. I say evolution, for I fancy no one man will want to take credit of its creation. It is an evil thing. Like Topsy, it just growed. What is the remedy? It is not for me to say; but it seems to me that the practical thought arising from these considerations should be that we should go back toward the sounder methods of the good old times and observe always the scriptural injunction not to put your trust in princes. The same authority alleges, gentlemen, that all men are liars.

THE PRESIDENT: Gentlemen, the subject is open to general discussion, and we shall be very glad to hear from any member of the association upon this subject, which, as has been well said, is not only the foundation but the substance of banking. Is there anyone who desires to prolong this discussion?

I very much regret that I am compelled to announce the inability of Mr. L. C. Weir of New York city, President of the Adams Express Company, to be with us.

Usually anything which survives criticism and continues to perform an important function is right, at least to the extent of supplying a public want, answering to a public need. These express money orders have been severely criticised and arraigned by bankers and bankers' conventions for many years, and yet their use is constantly increasing. It must be that they afford the

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public a service better than the banks, or else at localities where there are no banks accessible, or else their credit must be better and more widely extended than that of the local banks that they might have to employ as an explanation of the reason of their being utilized.

I thought if we could have this subject discussed by the president of one of the largest express companies in the country we would probably get a fund of statistical information which would enable us all the better to understand it, and at the same time I have no doubt whatever that we would have had a very spirited and animated discussion following the address. That number being off the programme, however, we come to the reports of committees. Is the committee of audit ready to report?

MR. TABER: Mr. President, the committee of audit beg leave to present the following report:

REPORT OF AUDITING COMMITTEE.

The committee appointed to audit the report of F. W. Barker, Treasurer of the New York State Bankers' Association, dated July 21, 1898, respectfully report that they have examined the cash book and vouchers, and find that the report is a correct statement of the account as shown by the cash book, and that all of the vouchers upon which payments have been made were properly approved

Dated July 22, 1898

W. I. TABER,
CHARLES F. VAN INWEGEN,
C. H. STOUT.

THE PRESIDENT: Gentlemen, you have heard the report. The question is upon accepting it and approving the report. All who are in favor of doing that will manifest it by saying aye—opposed, no. Carried.

The next in order is the report of the committee on resolutions.

MR. DEXTER: Mr. President, the committee on resolutions submit the following report in the form of a preamble and declaration, and move its adoption.

REPORT OF THE COMMITTEE ON RESOLUTIONS.

Whereas, Two years have now passed since the presidential campaign of 1896, wherein the issue of the gold standard *versus* the free coinage of silver at the ratio of 16 to 1 was distinctly, squarely made, discussed and decided by the American people at the ballot-box in favor of the gold standard; and

Whereas, No legislation has yet been passed incorporating that decision into the statute law of the land, relating to the financial system of the nation, and the ambiguous word "coin" is still written in our bond obligations; and

Whereas, There is no more sacred political duty imposed upon the law-making power of the country and upon all citizens interested in its welfare, relating to the internal affairs of the great Republic, than the incorporation of the people's decision of 1896 into the law of the land, thereby removing all ambiguity in our monetary promises and all distrust as to the manner of our future payments and we believe forever quieting the disturbing financial discussions culminating in 1896; and

Whereas, It is important in the highest degree that at the same time that the gold standard is definitely declared and its maintenance provided for, that a complete and comprehensive plan of national finance and currency shall be adopted placing our financial system upon an enduring foundation and allowing an elasticity in the volume of our currency to meet the ever-changing needs and conditions of our industrial and commercial enterprise; and

Whereas, The movement out of which has evolved the Monetary Commission Report and proposed legislation, in its origin is in harmony with our political institutions, having emanated from the people conducting our great commercial and industrial interests, north, east, south and west; moved in the highest degree by patriotic impulses; guided by good judgment and sound discretion, and desiring to render the whole country a valuable lesson; and

Whereas, We believe the financial plan and currency system, as a whole, proposed by the Monetary Commission in its report and proposed legislation to be the most complete and comprehensive, the most carefully and ably considered, and the best yet presented for the consideration of our people and the law-making power of the nation, and that its adoption would place our credit, our finances and currency upon a sound, safe and enduring basis; and

Now, therefore, The New York State Bankers' Association, in annual meeting assembled, does hereby declare:

First—That it endorses and approves the report of the Monetary Commission and the bill reported by it embodying its plan, and which was duly introduced into Congress; and pledges its support in securing its passage or the passage of any measure substantially embodying the provisions of said proposed legislation.

Second—The final success in securing the clear and explicit establishment of the gold standard and in time the supplanting of United States and Treasury notes by a safe, convenient, elastic currency, demands steadfast and persistent action by all citizens interested in the future stability of values and the general welfare of our country, and to that end every individual should feel a duty resting upon him to render such service in the good cause as he is able.

Third—That in the work of securing the greatly desired result there must be a subordination of individual opinions and financial theories to the consensus of opinion expressed by those most able and qualified to study, consider and propose a plan as represented in the work of the Monetary Commission.

Fourth—That while our navies and armies are demonstrating the prowess of American courage and skill in arms in a manner to win the admiration of the civilized world in their fight in the cause of humanity and better civilization, let us at home do a work as great in establishing a financial system that shall be stable and enduring, and command the confidence and trust of every intelligent people where our flag shall be seen in the circuit of the earth.

THE PRESIDENT: Gentlemen, the question is upon the adoption of the resolutions. They are open to discussion and amendment. Is there anything to be said? If not, all who are in favor of their adoption will say aye—opposed, no. Adopted.

Are there any other committees to report at this time? Under this head I believe it is in order to call the groups by number for the nomination of delegates to the convention of the American Bankers' Association, which is to be held at Denver next month.

SECRETARY FREW: Group I.

MR. BOAG: Group I nominates Mr. Frank E. Johnson, of Cattaraugus.

SECRETARY FREW: Group II.

MR. THAYER: We nominate Mr. Norman H. Becker.

SECRETARY FREW: Group III.

MR. DEXTER: Group III nominates Mr. George R. Williams, of Ithaca.

SECRETARY FREW: Group IV.

MR. TABER: Group IV nominates Mr. J. R. Van Wagenen, of Oxford.

SECRETARY FREW: Group V.

MR. NASH: Group V nominates Mr. William H. Rainey, of Kinderhook.

SECRETARY FREW: Group VI.

MR. CROMWELL: Group VI nominates Bradford Rhodes, of Mamaroneck.

SECRETARY FREW: Group VII.

MR. NEXSEN: Group VII nominates Mr. H. B. Coombe.

SECRETARY FREW: Group VIII.

MR. STOUT: Group VIII nominates Stuart G. Nelson, of New York city.

THE PRESIDENT: It is now in order to nominate one delegate at large, as we have but eight groups, and are entitled to nine delegates.

MR. RHODES: I nominate as the delegate at large Mr. T. Ellwood Carpenter, of Mount Kisco.

MR. THAYER: I second the nomination of Mr. Carpenter.

THE PRESIDENT: Are there any other nominations? If there are no other nominations we will vote upon the entire nine delegates at once. All in favor of the election of the nine delegates who have been nominated will manifest it by saying aye—opposed, no. Carried.

It is now in order to grant power of substitution in case of inability to attend.

MR. DEXTER: I move that each delegate elected shall have power to appoint a substitute in case he is not able to attend the convention, and that the delegates when assembled in Denver be authorized to fill any vacancies in their ranks.

MR. POOR: I second that motion.

THE PRESIDENT: Gentlemen, you have heard the motion. All in favor of it will manifest it by saying aye—opposed, no. Carried.

MR. TROWBRIDGE: I beg to say to the convention, Mr. President, that the convention of the American Bankers' Association at Denver will consist not only of the delegates from each State association, but that every bank which is a member of that association is invited to be present and represent it, and it is expected that they will do so. You have been furnished with the programme for that meeting. I expected that Mr. Hendrix, the president of the association, would be here and give you the greetings of the mother society, but on account of sickness in his family he has been unable to perform that very pleasant service.

The American Bankers' Association extends particularly to the New York State Association its very cordial greetings. We in the American Bankers' Association have received great help from this association. There are many things that have originated here which we have embodied in the work greatly to the profit of the fraternity, and we are very glad to acknowledge the source of our benefit. The American Bankers' Association is now in a very flourishing condition, having over 3,300 members on the roll. We have done a work of which you probably are all as well aware as myself in the matter of protection to our members. In three years the members of the American Bankers' Association have lost by robbery and burglary and thieving of various kinds $2,816. In the same time there have been losses by non-members to the amount of $286,000. A member of the protective committee told me the other day that he saw a statement that one of the most dangerous burglars in the country said not many days ago, when invited to join a gang to rob a bank, that he would have nothing to do with that case at all, for he had been there and looked the ground over and they had one of those cussed little tin signs. There is no doubt, gentlemen, that a combine of this sort is very valuable to us all, and we have received in the past very great encouragement and assistance from the New York State Association, and we confidently expect a continuance of the same.

THE PRESIDENT: I am sure that we all regret the absence of Mr. Hendrix, especially from such a cause, and sympathize with him on account of the illness in his family. We are quite sure, however, that the greetings of the American Bankers' Association can be and have been quite as well extended by Mr. Trowbridge, the chairman of its council of administration.

Gentlemen, is there anything further under the head of miscellaneous business?

MR. CORNWELL: I believe it is the business of the association at this time to pay its debts in an easy way by votes of thanks. There are a number of gentlemen to whom we are under obligations. I happened to notice in a local paper that in announcing the proceedings of our convention it said: "Opened with prayer. The Clergyman prays for the Army, the Navy, and the Bankers." That would indicate that we are in a fight.

THE PRESIDENT: We are evidently in it.

MR. CORNWELL: We are; yes, sir. We are under obligations to Rev. A. S. Bacon and to Rev. Philip W. Mosher for their participation in our meeting.

There is also the committee of arrangements, consisting of Mr. Adsit, Mr. Thayer, Mr. Mills, Mr. Johnson, and Mr. Schoellkopf. It has been the habit of the presidents of this association when the question of convention came up, to appoint Mr. Adsit chairman of the committee of arrangements, and then to let her go, and it has gone in every instance all right. Now, what Mr. Adsit is going to do when he assumes the presidency I do not know, but I would like to move a vote of thanks to the clergymen named for their services, and to the members of the committee of arrangements who have provided for us so admirably at this fifth annual convention.

THE PRESIDENT: Gentlemen, you have heard the motion of Mr. Cornwell. The question is upon its adoption. All in favor of the motion will manifest it by saying aye—opposed, no. Carried.

The secretary will please convey a notice of the adoption of this resolution to the gentlemen named.

MR. THAYER: We are all greatly interested in Mr. Boocock's address, and I move that the thanks of this association be tendered to him for his able, forceful and instructive paper.

THE PRESIDENT: Gentlemen, you have heard this motion. All in favor of it will please say aye—opposed, no. Carried.

MR. RHODES: It has been the custom of this association in previous years to refer the matter of the time and place of the next convention to the convention. I am requested by members of the committee of arrangements to move you, sir, that the time and place for the next convention be left to the incoming council of administration.

THE PRESIDENT: Are there any remarks to be made upon this motion? Several localities have been represented here by people desirous of having the next convention held at their respective places, and if this motion prevails they will each have an equal hearing before the council of administration.

MR. NEXSEN: I would like to ask for information if that course has ever been pursued heretofore.

THE PRESIDENT: No, sir; but it is entirely within the power of the convention to so refer it if they see fit.

MR. VAN INWEGEN: I have been requested to suggest to the convention a place for holding the next annual meeting, and I would like to get rid of the requirement. The location is the Kaaterskill House in the Catskills, a place which many of you may be more or less familiar with, a house capable of accommodating one thousand guests easily, with excellent entertainment at all times, and if this matter is referred to the council of administration, I ask that they take this place into favorable consideration.

THE PRESIDENT: The altitude is such that probably we will be guaranteed a reasonably cool atmosphere there.

All in favor of the motion to refer the next place of meeting to the council of administration, with power, will manifest it by saying aye—opposed, no. Carried.

Gentlemen, this completes the order under the head of miscellaneous business. We will now proceed to the election of officers. There having been but one candidate placed in nomination for president, a motion that the secretary be instructed to cast one ballot for his election would be in order.

Mr. Cannon: I make that motion.

Mr. Trowbridge: I second it.

The President: All in favor of the motion that the secretary be authorized to cast one ballot for the election of Mr. Charles Adsit as president, will please signify it by saying aye—opposed, no. Carried.

Secretary Frew: I have cast the ballot, Mr. President.

The President: I take great pleasure in declaring Mr. Charles Adsit unanimously elected president of this association for the ensuing year.

There is but one candidiate for vice-president.

Mr. Van Inwegen: I move that the secretary be instructed to cast one ballot for the election of Mr. John B. Dutcher as vice-president.

Mr. Mills: I second that motion.

The President: Gentlemen, all in favor of authorizing the secretary to cast one ballot for the election of Mr. Dutcher as vice-president will manifest it by saying aye—opposed, no. Carried.

The secretary having cast the ballot of the association for Mr. Dutcher, I declare Mr. John B. Dutcher unanimously elected vice-president of the association for the ensuing year.

The election of treasurer is next in order, and there is but one candidate for that position.

Mr. Dexter: I ask unanimous consent that the secretary cast one ballot for the election of Mr. George W. Thayer, of Rochester, as treasurer.

The President: Are there any objections to that course being pursued. There being no objection, consent is given.

The secretary having cast the ballot of the association for Mr. Thayer, I declare Mr. George W. Thayer unanimously elected treasurer.

The next in order is the election of a secretary, and there is but one candidate in nomination—namely, Mr. W. I. Taber, of Herkimer.

Mr. Coombe: I ask the unanimous consent that the secretary be authorized to cast one ballot for the election of Mr. Taber.

The President: If there is no objection, consent is given.

The secretary having cast the ballot of the association for the election of Mr. Taber, I declare Mr. W. I. Taber unanimously elected secretary of the association for the ensuing year.

The Chair will appoint as a committee to escort the newly-elected president to the chair, Hon. Bradford Rhodes and Mr. James G. Cannon.

The president-elect was then escorted to the chair by Mr. Rhodes and Mr. Cannon.

President Hepburn: No one deserves better at the hands of this convention than the gentlemen whom you have elected as president for the ensuing year. He has been faithful and hard working at all times, and he has been eminently successful. And now, President Adsit, it is with the utmost pleasure that I hand you this emblem and insignia of your office (handing gavel to the incoming president).

Address of Charles Adsit, President-Elect.

Mr. President, Ladies and Gentlemen—The presidency of this association is an honor so high that I should never have had the audacity to aspire to it except for the kindness of friends who urged upon me the candidacy which has brought me this position, which is a reward far beyond my deserts.

This organization needs no apology for its existence, as some of the non-member bankers seem to believe. It has already done a great work among us, and yet has never exerted the power which united intelligent effort along any line would surely bring forth. Speaking as a country banker, it has given us a brotherly acquaintance in our groups which allows us to rely implicitly on credit reports among ourselves and prompts us to warn each other against the dangerous borrowers who formerly worked unchecked throughout the State.

The papers and addresses at our meetings have given to the whole body the results of the labor and research of our best thinkers and financial students, and our members have enjoyed and applied these lessons without trouble to themselves. The discussions have taught us many things which we would individually have overlooked. We have absorbed from each other numberless ideas on the details of our daily work, many of them small, but all useful in the economical management of our business.

In short, it has been a financial university, somewhat on the Chautauqua plan, but without a prescribed course of study, and every member who has faithfully attended the meetings and taken his part in the work is either a better and broader-minded banker, or a very stupid man.

The wide awake, observing, inquiring man who respects his business, cannot meet with a body like this of his own profession without taking home facts, hints and ideas which later may crystallize into dollars and cents for the benefit of the bank which sends him to the meetings.

The acquaintanceship alone is a feature strong enough to justify the existence of the association, and as I look over this assembly and think how large a number of these good men would have always been strangers to each other except for this organization, I feel that it should be very dear to us. It has brought me many friends, and the comradeship of a single one of them more than repays me for the time, labor and expense devoted to the association.

In spite of all the benefits which the regular attendants understand and appreciate, there is a constant growl among the outside bankers because we "do not accomplish anything." They either ignore us or accuse us of junketing and wasting our time, and some frown on us with a severe and patronizing air, stay at home, miss all the good things we learn and enjoy, and they grow narrower and rustier year by year.

Now, we want these people with us. Our membership is large, but it should be larger, and we should never rest till the New York State Bankers' Association becomes the largest in the Union. If we can do something to reduce bank taxation so that it will be somewhere near the rate paid by other personal property, we can interest these grumblers and make most of them members. This is a very large contract, but we have right and justice on our side and should not fear to undertake the work.

Last year our Group III gathered the statistics of taxation of thirty banks and tabulated them, and they show the inequality and injustice of bank taxation in an amazing manner. There is no general rule for it, and the local assessors simply do as they please; and as they are usually looking for re-election they curry favor with the average voter by loading the taxes on to the banks.

In Group III the rate of assessment on capital, surplus and undivided profits ran from 36.2 per cent. in Corning to 96 in Binghamton, and the proportion of the total personal property tax paid by the banks in the various places was from .26 in Angelica to 7.67 in Hornellsville, and these extremes were about twenty miles apart.

This table covers only seven counties, but we have found it very useful in dealing with the assessors. The great obstacle in the way of undertaking a reform in this matter is the fact that the city and country banks look at it from different standpoints. The city banks wish to make the trust companies pay their proportion of the taxes, which they now escape, while directly competing with the banks who pay heavily, and the country banks want their assessments reduced to the level of those on "other moneyed capital in the hands of individuals" as provided by law, which is calmly ignored by the assessors.

It would seem that the State might have a rule for bank assessments, based on capital, surplus and profits on the book value of the stock, which should be uniform in all places. If all the groups in the State would gather complete returns from the banks for the year 1897, and tabulate them, we would have something definite to figure on. It is not probable that our legislators would dare to reduce the total amount of bank taxation, except in very flagrant cases, but having determined, with the help of the tables, the amount to be paid annually by the bankers, a rate could be established for all banking capital whether used by banks or trust companies. This would work no injustice to the other taxpayers, and would not be opposed by them, but it would put all banking capital on a level and do away with the annual fight with the assessors.

This is only a suggestion, and there will no doubt be many objections to it, but I think the tables for 1897 should be compiled, for their story will astonish the bankers themselves. If this is done, one of the most important items to report and the one most frequently omitted, is the total amount of the assessment on personal property in each place which must be copied from the tax roll, and it is necessary to show the proportion paid by the banks.

I beg to submit this matter to the earnest consideration of the groups in the hope that some definite and feasible plan for relief may be evolved from their discussions and investigations.

When I escaped from the cyclone of the storm center of laudation yesterday morning and got out into the office of the hotel here, I met Mr. Greenwood, the manager of the hotel, and he looked at my head and said, "Is it as bad as that? Can't you put your hat on it any more?" Of course, I was very much disturbed, so I went around the corner and tried my hat on; and I am happy to say that I do not need to buy a new one.

I dare not attempt to express my gratitude to this association for the magnificent treatment accorded me at this convention, for the subject is beyond my power, and if attempted would surely swamp me, and there is water enough here already. My feelings must be somewhat like those of a man who has the luck to read his own obituaries and wonders whether all the kind and flattering things said of him by his friends can possibly apply to the very commonplace person that he knows himself to be. The average subject of a nice obituary has this advantage: He cannot live to spoil all the friendly eulogies by his future acts or failures, while that very danger lies right before me. Cornwell, Cannon, Dexter and Hepburn—great men and strong! These are emphatically our "Big Four," and the small country banker who attempts to follow in their footsteps and keep up the pace will need to stretch his legs as well as his brain.

Our presidents have been selected from the larger cities of the State, and are the active officers of great banks. It seems now that the members of the association have decided to give the small country banks a chance, and I gratefully accept my election on those lines, and can only say that I thank you, and I earnestly ask your help and support during my term of office, and promise to do what seems to me best for the growth, welfare and prosperity of this great association.

Gentlemen, what is your further pleasure? If there is nothing else to come before the convention, I now declare the Fifth Annual Convention adjourned *sine die*.

THE BANQUET.

A banquet was served at the International Hotel on Friday evening, and was largely attended, the spacious dining room being filled to its capacity. During the evening music was discoursed by Kuhn's Orchestra, of Buffalo, and there were recitations by Mrs. Losey, of Rochester, and singing by the Æolian Quartette, of Buffalo.

The speech-making was as follows, the president of the association acting as toast-master.

THE PRESIDENT: An Englishman and an American were travelling on horseback in the Far West and they came to a fork of the road where there was a guide-board with these words: "Take left-hand road to Red Gulch, nine miles;" and underneath some wag had written: "If you can't read, ask Bill Jones." The American laughed and said, "That's good." The Englishman said, "What are you laughing at, don't you know? I cawn't understand." The next day the Englishman suddenly exploded with laughter, and the American said, "What on earth are you laughing at?" And the Englishman replied, "Why, that guide-board. It is funny, and it has just occurred to me what you laughed at; may be Bill Jones wouldn't know." I do not tell this at the expense of the traditional want of humor of our friends, the Englishmen. I really think they are entitled to some leniency, however, because I think the average man is to be excused for not understanding and laughing at the average joke.

Ladies and gentlemen, we will now rise and sing "America."

PRESIDENT HEPBURN: The business of the world is fast becoming scientific, systematized, leaving the old and crude form and dissolving itself into regular channels. It is becoming centralized in strong hands. All this means that competition is growing more and more intense, and, as the price of success, still greater exactions are made upon men in the management of business. With no class of people is business so intense as among bankers. Every day is complete within itself. Sufficient unto the day is the evil thereof.

You have heard, I presume, of the Boston mouse and the Chicago mouse who each fell into adjacent cans of milk. The Boston mouse, as he came to the surface, said, "Well, this is a pretty serious predicament; I must ponder deeply and profoundly in order to evolve some means of extricating myself from this disagreeable environment." The Chicago mouse said: "Well, I am in a devil of a fix, and if I ever get out of this alive I've got to hustle." The next morning the milkman discovered the Boston mouse dead. As he looked in the next can he beheld the Chicago mouse seated upon a pat of butter as chirp and chipper as you please.

So we must hustle: but at the same time we must give ourselves recreation; and while I hope we may all succeed in perching ourselves upon a proper pat of butter, I trust you will now and then relax yourselves. These gatherings have afforded to me the opportunity of making many pleasant acquaintances, and that is the source of life's pleasure, you know.

All after dinner speakers are divided into two classes—those who have something to say and those who have to say something. I represent the latter class, and the gentleman I am about to introduce to you represents the former.

Many years ago I had the pleasure of forming the acquaintance of William H. McElroy, at that time one of the editors of the "Albany Evening Journal." I later knew him as one of the editors of the "New York Tribune." Now he is the editor of the "Rochester Post-Express." He stands pre-eminent among the journalists of our great State, and has achieved fame as writer, author and poet; and, best of all, he is a capital good fellow—a fact which gives added grace and charm to his well-rounded and very successful life.

Ladies and gentlemen, I have pleasure in introducing Mr. McElroy.

Address of Hon. William H. McElroy.

Ladies and Gentlemen—Speaking of a man having a well-rounded and graceful life, I think it is pretty sad when the president of your association in cold blood stated that he thought American humor could not be appreciated until it was twenty-four hours old, because I had in mind a few of what I regarded as mirth-provoking remarks which I had intended to level on this company. I remember in the old days Artemus Ward, who I think was the most delicious of all our humorists, used to print on his programme: "If there is anyone in the audience who does not appreciate the jokes, the lecturer will be happy to call upon them to-morrow at their convenience and explain them." I make the same offer to you.

It is an era of good feeling, and as I look there and see the English flag and the American flag waving side by side and remember that we began these after-dinner exercises by singing "My Country, 'tis of Thee," I feel like saying, even at the risk of being called a jingo, that a war which unites England and the United States so that they go forward on their magnificent career to the motto, "In essentials unity, in non-essentials liberality, and in all things charity;" and when I remember that this war has served to turn the passive voice of patriotism into a veritable master of passion in the hearts of the American people, I say to myself the war is worth all that it costs.

That is jingoism, perhaps. If so, make the most of it. I am very fond of trying to define what jingoism and anti-jingoism are. I am fond of remembering the story of the old darky who said: "If a man smites me on the right cheek, sah, I turn to him the left; but if he hits me on the left I think he's taking a mean advantage of my Christianity, and, sah, I draw my razor on him." Ladies and gentlemen, I call upon you to bear witness that the United States of America was smote upon the right cheek and did nothing except a few diplomatic things, and it was not until it was smitten upon the left cheek that it said to Spain, You are taking a mean advantage of my Christianity, and you've got to come down. That is jingoism and anti-jingoism reduced to their lowest terms.

I am very glad to be here to-night. I am especially glad because this company includes not only brute man, but lovely woman. It is so much easier for an after-dinner speaker, although in a sense it is so much more difficult. You all remember the man who, standing in the painful position which I occupy now and wishing to do the handsome thing by God's best gift to man, looking around, said: "O woman! in our hours of ease, uncertain, coy and hard to please," and then catching the eye of his best girl he became derailed, as it were, and continued the quotation to the joy of the whole table, "But seen too oft, familiar with your face, we first endure, then pity, then embrace."

I am liable before I sit down to make a similar blunder, and in advance I crave your indulgence. I promised my neighbor before I got up, having first asked her to make me promise it, to tell you the best story I know in which a woman figures. Some years ago I was talking to a distinguished New York banker, one of the finest fellows I ever knew, and something was said about Wendell Phillips, and he said: "Let me tell you something about Phillips. Once when I was living in New Jersey, he came over there to lecture, and I had the pleasure of entertaining him over night. After the lecture, as we sat in my library, I noticed that he glanced around at the title of some book, and finally his attention was arrested and he took up a book and said: 'Taylor, I want to tell you a story about this book. That is the first thing I ever put into print: "Lectures and Occasional Addresses by Wendell Phillips." When this book was passing through the press, of course my wife was a good deal interested in it; we wondered how it would be received, and if it would take well. The day the book was to be published I went down to the printing house, got the first copy off the press, tore out the title page, and pasted in one that I had prepared for it which read 'Lectures and Occasional Addresses by Ann Phillips.' Then I went home and went in where Mrs. Phillips was sitting, and said to her, 'Ann, the great book is out;' and she said, 'Is it, Wendell?' I said, 'Yes, there it is;' and I went into my library to await the explosion that I was sure was coming. Pretty soon she said, in a high falsetto voice, 'Wendell! Wendell! Come here.' and I went, and she said, 'The most absurd mistake you can imagine has been made in printing this volume. Why, we will be the laughing stock of all Boston to-morrow, and we will have to go out to Kankakee, or some other town in the West, and spend the remainder of our days,' and so on. I waited until she had freed her mind, and then I said, 'My dear, no mistake at all has been made. I had that title-page prepared, and I placed it in the first volume off the press by way of testifying in my way that whatever is best and most inspiring in the volume would never have got there but for your abiding and loving sympathy.' "

I like to be at a dinner of bankers. I like them outside of a banking house. Sometimes going into a bank asking them to be in an accommodating spirit, I have found them to be otherwise. It was a painful experience now and then, so I need not go into particulars.

My friend General James, whose absence from this feast we so much deplore, told me the last time I was in New York of what happened to a Cashier of one of the banks there. My friend Mr. Hepburn says that all accounts have to balance every day. When I heard that statement, and, remembering certain gentlemen who had gone in the dewey eve to Canada, I wondered if they did always balance. But General James said that the President of the bank on one occasion went to his Cashier and said to him: "Look here, do you ever read any poetry?" The Cashier replied, "Yes, I have a volume of Browning on my desk now that I am going to read after office hours." The President said, "You had better stop it; it is giving you a far-away look in the eyes, and the directors are getting nervous." Still, I am assured that the accounts balance every day, and for a man of my sort, who is a victim of optimism, it was a very refreshing statement.

So, by easy stages, I approach my toast. It was announced to me, not necessarily for publication, as we say in a newspaper office, that I was to respond to the elastic toast, "The State of New York." It is a great toast, but a man would have to possess transcendent ability to compress a eulogy of the State of New York within the limits of an after-dinner speech.

Our home State, the State of our pride and our love! I think we all feel that we are not misled by affection when we name it what Roscoe Conkling used to love to name it, The Imperial Commonwealth of New York. And if it is the Imperial Commonwealth of New York it is the Imperial Commonwealth of the United States, and therefore the greatest State on this planet, and the band plays, "Dearest, What Wouldst Thou Have More?"

I remember, as I recall Webster's great speech in reply to Hayne, that he said: "I will enter upon no encomium of the State of Massachusetts. There are Lexington and Bunker Hill and Concord, and there they will remain forever." I think to-night the toast to the State of New York might well be responded to by saying: "There are the Falls of Niagara and the Adirondacks and the Hudson, and there they will remain forever." Great historically, great numerically, great in her past, great in her relations to the living present, great in all the things which exalt and embellish civilized life, great in her natural resources, great in her philanthropic, religious and educational resources, great in the services which she rendered this country in the War of the Revolution that made, and in the War of Secession that preserved, us a nation, great in her hospitality toward every idea which means the elevation of the human race, we may well look upon her and say, in the language of the old hymn: "Many daughters have done virtuously, but thou excellest them all."

As I stand here to-night I cannot recall the fact of my acquaintance with the distinguished president of this association who sits at my right. It was several years ago, not to say more, in Albany, and I sat next to Mr. Cleveland's coming Secretary of War, Dan Lamont, as we called him then, and reported the proceedings of that Legislature. I might fill this hour with stories drawn from that legislative experience. Pardon me if I relate one.

There came to the Legislature one year a man whom I need not further designate than to say that he was the last expression of perennial freshness, and he came to Albany with the impression that in him was the last expression of consummate oratory. Well of course the wits of the Legislature and the wicked men of the Legislature, including, I am pained to say, my friend at my right, nourished that idea, and there came a day when one of them went to this man and said, "Here is the greatest opportunity of your life. Get up and move that the House adjourn over Washington's Birth day, and then we will go into committee of the whole on the state of the Union, and you can make the speech of your life." He fell into the trap, the House went into committee of the whole, and the man got up and said: "Mr. Speaker, I move that inasmuch as to-morrow is the anniversary of the birth of the Father of his Country, that this House adjourn over until Monday. In support of this resolution I will venture to make a few remarks." Thereupon he took from his desk a quire and a half of foolscap and began. Before he had proceeded long, he turned to that full length picture of Washington, hanging behind the Speaker's desk, and apostrophizing it with arms outstretched, he said: "Eyes that have so often flashed defiance on the foe. Nose whose nostrils have quivered"—and before he could go any further Hepburn, or some other wicked man, interrupted him and made the point, which the Speaker sustained to the uproarious applause of the House, that the eyes and nose could not be called for in the committee of the whole.

The State of New York! I wish that time afforded and your patience was elastic enough so that I could trace its magnificent history from that far-away day when a small band of high-spirited Low Dutchmen cast their anchor into the mouth of the Hudson. You remember that the Indians witnessing the approach of the strange craft began to sharpen their tomahawks and were thinking that the time had come to restrict immigration. Presently the ship drew nearer, and they saw on the prow an image which fascinated them. It was the image of the good Saint Nicholas, with a long pipe in his mouth and great Flemish hose on his limbs, and they said Saint Nicholas has an open countenance and this looks like a pipe of peace; and so those aborigines who came to scalp remained to help unload, and subsequently when the ship had come to land and they had been introduced to the Amsterdam Schnapps, in the generosity of their hearts they said to these Dutchmen: "Take any of this land that you happen to fancy, and if you want anything that you do not see, ask for it;" and those Dutchmen accepted the invitation in the generous spirit in which it was offered, and proceeded to grow up with the country and pre-empt corner lots.

That was the beginning of this great empire of ours, the Imperial Commonwealth that Conkling talked about; and from that day to this it is a gratifying fact that it has gone on conquering and to conquer with ever-increasing effort and with ever-increasing aspiration.

But, ladies and gentlemen, you will agree with me, I am sure, that the chief glory of this State of ours I have yet to mention. Long ago it was written by a wise man that what constitutes a State is men, men who know their rights and manfully stand by them and who conscientiously perform their duty. As I understand it, that is the chief glory of this State of ours, that it has always held high the standard of conduct. Two years ago when the election came William McKinley received a colossal vote, a vote unprecedented in the annals of this State. It was not a Republican vote. Republicans contributed to it. Democrats contributed to it. Mugwumps contributed to it. Men of all parties and of no party contributed to it. Yet it will stand in history to the latest generation, I take it, as a demonstration not only of the intelligence, but of the conscience of the Empire State. When New York was asked to endorse the policy of financial dishonesty, she said: "None of this thing in mine," and her sons went to the polls and by their vote buried the accursed thing for all time. That was the record of New York in 1896, and I cannot doubt that she will persevere in well doing and say to the next Congress: "The last Congress was recreant to duty inasmuch as it did not pass a law for the improvement of our currency system, because it did not give us what might be called a currency system with a scientific basis." My friend Judge Taylor, I remember a few months ago, in a speech which he delivered in Rochester, made it clear to the comprehension of every man that our present finances as they stand are a serious menace to the prosperity of this country; and I believe that New York, feeling her responsibility at the head of the States, will insist that the next Congress shall remedy this giant evil, which cannot be spoken of in terms too momentous.

One word more and I am through. In this little compendium of our national songs—and there cannot be too many of them—there is printed: "My country, 'tis of Thee." Let me tell you a story about that. Some years ago I had the pleasure of taking luncheon with Oliver Wendell Holmes. I asked him how he was feeling, and he said, "I am not feeling very well, I was out too late last night with the boys," and then, with a sparkle in his eye, he added, "By the way, one of those boys has written the most famous of American poems, and I shouldn't be surprised if you could not tell me the name of the poem," and he referred to this poem, "My country, 'tis of Thee," which was written by one of his class-mates of the Class of 1820, F. S. Smith, and he has immortalized Smith, you remember, in that couplet:

"Here comes a young fellow of excellent pith,
Fate tried to conceal him by naming him Smith."

Now there was another poem in here, "The Star Spangled Banner," and we read that—

"The rockets' red glare,
The bombs bursting in air,
Gave proof through the night that our flag was still there."

Still there! Yes, it was there when the surrender took place at Yorktown, and Cornwallis gave his sword to Washington. It was there when Lee at Appomattox gave his sword to Grant. As far as I know—I haven't seen the evening papers—it is still there to-night, with Dewey and the rest guarding it.

And remembering, ladies and gentlemen, how this country has enjoyed the protection of God throughout all its history, I think we may indulge in the hope that down to the very end of time, when the watchman upon the wall is asked, "Is all well?" he will be able to reply, "The flag is still there."

At the risk of having the riot act read upon me, I am going to conclude these remarks with a little bit of verse, promising you that it is not my own. I always love to hold high the banner of optimism. There are enough men going about the world to-day in a pessimistic spirit. As for me, I steadily appeal from the valley and the shadow to the delectable mountains and the perfect day. There is a saying of the ancient sages, "No noble human thought ever buried in the dust of ages can ever come to naught."

"With kindred faith that knows no base dejection,
Beyond the horizon's scope
I see, afar, the shining resurrection
Of every glorious hope.
We are not mocked. It was not in derision
That God made our spirits free.
The poet's dreams are but a dim prevision
Of something that shall be

When all who lovingly have hoped and trusted,
Despite some transient fears,
Shall see life's jarring elements adjusted
And rounded into spheres."

Mrs. Losey, of Rochester, then gave a humorous recitation.

PRESIDENT HEPBURN: Ladies and Gentlemen—We had the pleasure of listening to Hon. Robert S. Taylor, of Indiana, to-day in an address on a profound and somewhat obtuse subject. I am sure that we would all like to hear from him this evening in a somewhat lighter vein.

ADDRESS OF HON. ROBERT S. TAYLOR.

Mr. President, Ladies and Gentlemen—I hardly know how to say anything except to return to you my thanks for the very friendly reception which I have received at your hands. If I were to undertake it I could not tear myself far away from the subject of to-day and the subject connected with your meeting.

It is not usual for people to tell preachers and bankers exactly what they think of them. A rare opportunity is afforded to me to-night to depart from that rule. It may interest you gentlemen to know that by your fellow citizens you and your occupation are regarded with envy. You are supposed to be fortunate above your fellows; to pass your lives in the sight of money; to inhale the fragrance of bills; to handle with your hands great sums daily. It is the wonder of your fellow citizens that you do not steal some of it. Your families, your homes, your modes of life, are the subjects of the same keen curiosity. A banker's daughter! There is a poem and a romance in the words. She is supposed to be, of course, a fairy creation, the perfection of refinement and culture and idleness. If she wants money she goes to the bank and gets it, as a grocer's son helps himself to sugar out of the barrel. That she should demean herself by any sort of useful labor is not to be expected. I heard a man in court a few days ago endeavoring to impress the court with the conception of the value of a machine, which was in litigation, for shelling green peas. He went on to state that upon one occasion, in a town in central New York where there was a great pea-canning industry, the bounty of the sunshine and the rain had produced such a vast quantity of peas that all the ordinary facilities for shelling them failed, and the women had to turn out and help, and even the bankers' daughters took hold and helped to shell peas.

At the same time, notwithstanding that you and your families and your profession are envied above all others, you are like the Saviour—despised of men. It is supposed that you engage in business upon the ill-gotten gains of your fathers or yourselves; that you live upon the hard earnings of others; that you go to business when other men have already put in the best half of the forenoon's work, and you go home before they have finished the last half of the afternoon's work; that while at business you do nothing that can be called labor; that when you are not figuring up profits and interest you are cutting coupons off of bonds; that your hands show none of the evidences of the work that betokens honest toil, except that it is said that there is sometimes upon the thumb and second finger of the right hand a slight thickening of the cuticle produced by handling scissors by cutting off coupons, and that at such times as you are not engaged in that trifling occupation you are rejecting applications for loans; that you never loan money to people who really need it, but to people who are engaged in some sort of speculation in the community.

Gentlemen, I could not by any such extravagant illustration do injustice to the blind sentiment of hostility which exists in the minds of a great portion of the masses of the American people against you and your business. Now, I take a different view. I have been accustomed to saying that the greatness of the Anglo-Saxon race can be largely explained by three things: First, that they early learned parliamentary law; they learned to come together to discuss questions and to vote upon them, and to abide by the result. Second, they laid the foundation of political government—free government. They have for five hundred years eaten more beef and more wheat than any other people. That laid the foundation of physical and mental strength, and we have it now, gentlemen—beef and wheat against macaroni and onions. Third, our race learned first how to put their money in the bank and so use it over and over, and that laid the foundation of commercial greatness.

And I say in earnestness now that the hostility of the American people against banks and bankers is the saddest and most pathetic feature of the present condition of political affairs in the United States. It is true that our public men are so imbued by fear of this popular prejudice that it makes legislation in the reform of the finances of the country next to impossible. It is a rare thing that a member of Congress dare go home and admit that he has favored any measure or legislation which can be of any advantage to a bank.

And I want to say before I sit down that the creation of this misunderstanding, the conveyance by some men into the minds of the American people of the real nature and function of a bank and of banking and of the importance of that business in the economy of modern life, is in and of itself the whole problem of permanent financial reform. You will not secure upon a permanent and enduring foundation a financial system in a country like this, where the people arrogate to themselves the right to take part in and discuss and decide everything, until you have disseminated among those people, or among the controlling body of them, an adequate understanding of the problem. In that you have undertaken a vast work, and to you I put it that you owe to the people of the United States your efforts along with business men of other avocations to use the means which shall in this respect educate the American people and bring them to a better understanding of yourselves and of your business. There is nothing which can more contribute to the enduring prosperity of the American people than to come to some proper understanding of yourselves and of your business. Your meeting here to-day for the discussion of these subjects is a step in that direction. The general organization of banks, their co-operation, their activities along lines of that sort—all these are steps in the right direction, gentlemen; but the work is a vast one, for the undertaking is no less than the education of a people.

The "Star Spangled Banner" was then sung.

PRESIDENT HEPBURN: Lest you should get an unfavorable opinion of New York, and to show you that we do have gentlemen there who can make after-dinner speeches, I take pleasure in introducing Mr. A. C. Barnes, President of the Astor Place Bank.

ADDRESS OF A. C. BARNES.

Mr. President, Ladies and Gentlemen—With my friend Mr. McElroy I am rejoicing in the presence not only of these bankers, but of these beautiful banqueteers; and, seeking to vie with him, I wish to pay them a tribute of a little anecdote also. As Noah said when he put the elephant aside in order that the antelope might precede, "Grace before meat." The story is told of a distinguished lawyer, Joseph H. Choate. He was asked at a dinner party what he should wish to be if he were to die and then return to the earth. Looking affectionately at his helpmate, he said," I would like to be Mrs. Choate's second husband." I need hardly tell you that I am inspired to this story by two members of the fair sex between whom I have had the honor of sitting to-night, in addition to the general effect of so many of that sex whose presence on such an occasion adds so much pleasure!'

But sincerely I am wondering why I am here. I didn't know but the absence of General James was in some way responsible for it. A distinguished Grand Army man was once asked about his sufferings in the war, and especially with regard to a wound. "Where did you receive this wound?" he was asked. "At the Battle of Gettysburg," he replied. "I mean in what part of your anatomy were you wounded?" his questioner persisted. "Right in my substitute," he said. That seems to be my fate to-night, ladies and gentlemen.

When Charles Sumner was a Senator of the United States he was called upon one time at his lodgings by a gentleman desirous of seeing him on political business, and he inquired if Mr. Sumner was in. "No," said the colored gentleman who answered the bell. "Where do you think I can find him?" asked the gentleman. "Well," said the colored man, "I don't know, but I reckon he has gone down to the Capitol to speak that piece that he has been hollering out in bed every night." After several weeks—I don't know but months—of intense thought upon the principles that underlie the great business of banking, after an abundant consumption of the midnight oil and hollering out in the night the extemporaneous speech to which some of you will have the misfortune to listen to-morrow on the subject of Credit, the speech was evolved, and having shuffled off this question, I was settling down to the prospect of enjoying the society of a most eloquent company of ladies and gentlemen, when I was held up with a demand for another speech, and here I am.

Away out in the West when it was a younger country than it is now, in Arizona, and in the town of Flagstaff—for I like to be particular—was a character of the kind indigenous to the country, whose name, and the only name by which he was known, was Arizona Bill. Bill had a chum who had the misfortune to die with his boots on, and the affectionate Bill was so smitten with sorrow that he determined that his friend should have the grandest funeral ever held in the place. He found an old wagon, which he rigged up with the drapings of woe, and made a passable hearse of it, and then—for beasts of burden were rare—the best animal that he could find to haul the hearse was a mule known to be of uncertain temper. Bill, however, undertook to put the mule in front of the hearse. Well, the cortege started, and after it followed the comrades of the deceased. They had hardly got off when this mule had a convulsion and kicked the hearse into flinders. The corpse rolled out on the ground on one side of the road and Bill rolled off on the other side. and the mourners gathered around in sympathy and alarm, and Bill, rubbing the wounds on his shins, exclaimed, "Boys, this thing has got to be re-hearsed."

Now, if I tell you, ladies and gentlemen, that this thing has not been rehearsed, the funeral will go on just the same.

While we are out in the "wild and woolly West," there is another denisen of that region whose name is a household word. In that respect he resembles the famous Mr. Dammit, of Texas. This personage is the banker's dearest foe, and his name is Willy Bryan, who hates us so that he has devised a scheme by which, should he prevail, we would be able to pay our depositors for fifty cents on the dollar. Now, this Willy—this wily Willy—has recently become a belligerent Billy. He is hurling defiance at the Spaniards, whom he classes with the bankers, and the figure he cuts in that particular guise recalls an incident in the life of our old school friend, Cicero, who, when he saw a Roman of uncouth proportions, exclaimed: "Oh, who tied that dolly-belly to that sword!"

Incidentally our friend Billy, for he is no longer Willy, but Billy, has made an alliance with that prince of Mugwumps, Carl Schurz, and it is proposed that the keynote of the next campaign shall be Free Silver and Anti-annexation of the Colonies of Spain. This, with the military glory that he expects to acquire, he thinks will rally to him the Populist hordes and will enable him and his friends to take everything from anybody who has anything; and, although of late he has been perhaps becomingly modest, his missionaries are about and are by no means quiet. I wonder if any of you noticed the prayer with which the Chaplain of the Illinois Legislature opened one of the sessions: "O Lord, we pray Thee that Thou wilt deliver thy oppressed people from those sons of Baal and of Mammon, the capitalists, the corporations, the trusts, the gold bugs generally, and especially the bankers. Money, money, is all their cry. Money is the total sum. Give us money, or else we die. Oh, let the money come. And to thy Name be all praise."

Billy is not the only one of his name; there are others. There is the peaceful but humble domestic animal who is also apostrophised by that name. My friend, Mr. Mills, of the Chase National Bank, told me a story this afternoon of a switchman on the New York Central Railroad who lived in Shantytown, who owned an animal of this description who had committed a great number of depredations on the neighbors, and to all appeals that he dispose of the offensive animal this switchman turned a deaf ear, until one day Mr. Billy Goat devoured a switchman's red flannel shirt, which was hanging on the line; and then with tears in his eyes the switchman bound the animal and placed him on the railroad track about the time the evening express was due. Then the switchman turned away in order that his eyes might not behold the demise of his beloved goat. He heard in the distance the sound of the approaching train as it came nearer and nearer. Suddenly, to his amazement, it whistled and slowed up. He looked around, and there lay the goat, but what do you think he had done—he had coughed up the red shirt and flagged the train. Now, with equal ingenuity, our Billy proposes to cough up by means of a ready-made bloody war record and stop the onrush of the voters.

Ladies and gentlemen, I thank you for the patience with which you have listened to this rather rambling discourse. As for blithe Billy, may he never do the bankers any more harm than he is likely to do the Spaniards.

MR. ELSWORTH: Mr. President—May I claim the attention of the audience for a moment in order to perform a pleasant task which has been thrust upon me? You will remember that some three years ago when you visited Vassar College some one found on the ground a beautiful hair-pin, and it was presented to you—why I do not know—but you have frequently alluded to it and said that you would like to have the girl to whom it belonged. I am happy to announce to you, sir, that now, as you are about to return to the ranks of honest bankers, the girl has been found. Whether you are aware of it or not, your friend, Mr. Schickle, Cashier of the Fallkill National Bank, has shared this burden with you, and during these years he has been quietly pursuing the search and has at last found the girl, and has requested me to deliver her to you.

(At this point Mr. Elsworth presented to President Hepburn a doll.)

You will notice that the doll's cap and frock are not of the usual everyday style, but this doll wears the colors of her class. I trust you will retire to unofficial life, sir, with this little reminder of this occasion.

President Hepburn: I have always had the greatest admiration for the Vassar girl ever since I began reading the illustrated prints. I have always wanted to be near one—even to acquire one—but I didn't suppose there was any sawdust in their composition. I didn't allow myself to venture upon any speculation as to their anatomy, and I trust that upon examination this one will be found to be all as you have characterized it, and a graduate of whom the College may well feel proud. It is a little embarrassing to receive it under these circumstances. Indeed, it is somewhat embarrassing to receive a present of this kind under any circumstances. I will endeavor to prepare myself and make a suitable response for this present at some other time.

A song was then sung by the Æolian Quartette, of Buffalo.

President Hepburn: Last but not least we have with us a gentleman who combines being a bank President with the superintendency of the State Reservation here, Mr. Walsh.

Address of Mr. Walsh.

Mr. President, Ladies and Gentlemen—Like Mr. McElroy and the others who have preceded me, I am glad to see so many ladies here this evening. It is the banker's daughter that I am particularly interested in, as being both a romance and a poem combined, which I fully agree to. I am connected with a Savings bank, and perhaps that is the reason that I have been saved until the last. The bank that I give most attention to, however, is the bank of the river in the capacity of my position. I see that nothing but love notes are accepted there. Sometimes they are discounted, and sometimes they are protested, and sometimes the makers fall into the hands of the receiver, who is the divorce lawyer. In June we have a run on the bank of brides. They wander around during the day on the island, and at night they watch the silvery moon on the silvery waves. And, mind, you, all of this is free silver. There is no charge for it.

I do not intend to launch into a free-silver speech. That might paralyze you, even if Mr. McElroy had not already done so. However, I will say that perhaps in this presence we should not say the silver anything; we ought to say the golden moon and the golden waves. Shakespeare was wrong when he put into Romeo's mouth the words, "That tips with silver all these fruit-tree tops." And Homer was all wrong when he talked about the goddess with the silver bow.

In the olden *regime* in coming to the Falls our friends had a great dread of the hackmen, of the bazaar keepers, and of the hotel proprietors. Now it seems to me from the character that Judge Taylor gave the average banker, that an audience of bankers shouldn't mind a little thing like that. They could give the hackmen points. However, there has been a change, and these things have been largely brushed away, as you see. Not only has the scenery of Niagara Falls been preserved, but the power has been utilized. Above us on the river bank the power house is shining more wonderfully and beautifully than did Aladdin's palace. Already we are supplying our neighbors of the City of Buffalo with electric power to run their manufacturing industries and their street cars. And, by the way, an impression prevails from reading the Buffalo newspapers that the Falls are situated at Buffalo.

We feel that the future is with us, although we love our friends, the Buffalonians. We are connected with them in a social and religious way. We have located them on the map because when anybody says "Put me off at Buffalo," the answer comes immediately, "It is a place twenty miles from Niagara Falls." So we have given them a local habitation, and we hope soon to give them a name known throughout the world. Already, as I say, we run their street cars, and soon we hope to be warming them and cooking their meals for them, and even rocking the cradle.

Mr. McElroy spoke of the greatness of the State of New York. I doubt if anything illustrates the patriotism and the culture and the intellience of the great State of New York more than what it has done at Niagara Falls in throwing its protecting arms around this great natural wonder. Here it spent in the first place a million and a half of dollars for the gratification of a sentiment, the love of natural scenery. The early settlers along our lakes and rivers built their homes out upon the road and their stables upon the shores. Now people build their homes on the shores. This shows our love of scenery, of rocks, of trees, of the wonderful beauty and harmony of nature. And, ladies and gentlemen, when the children of men find their chief pleasure in the enjoyment of this beautiful world of ours, the glory of the sunset, the beauty of the clouds, the glory of the firmament at night, the victory will be won, and they will cease to love what is low and what is vile, because they will understand the thoughts of God in nature.

No one appreciates this more, I am sure, than the busy men I see about me to-night who, as your president said in opening, are confined so closely to exacting duties and long to get away and rest; and when they tire of the labors of their own banks, we hope they will come to this bank which I assist in managing, for one of your own members, Mr. Dow, of Jamestown, is the President of the bank; I am merely the bank superintendent, and I hope you will come to this bank for rest and for enjoyment, and I assure you that your drafts will always be honored here, for nature never did betray the heart that loved her.

Such, ladies and gentlemen, is the message which Niagara brings to the heart of man. So let it sink into your hearts while the rapids tumble down and the islands are imbued with all the colors of the rainbow blended in splendor with the electric lights.

After singing "Auld Lang Syne," the company dispersed.

LIST OF DELEGATES ATTENDING THE CONVENTION.

GROUP I.

R. T. Coan, Cashier Citizens' National Bank, Albion.
C. E. Loomis, Cashier J. H. Loomis & Son, Attica.
D. W. Tomlinson, President Bank of Batavia, Batavia.
J. L. Bigelow, Cashier First National Bank, Batavia.
W. S. Housel, of W. S. & C. E. Housel, Bergen.
Ralph A. Hall, President State Bank of Brocton, Brocton.
Joseph Block, President Citizens' Bank, Buffalo.
I. E. Waters, Cashier Citizens' Bank, Buffalo.
W. C. Cornwell, President City Bank, Buffalo.
John R. Boag, Cashier City Bank, Buffalo.
James J. Berry, Assistant Cashier City Bank, Buffalo.
A. J. Barnes, Director City Bank, Buffalo.
E. B. Jewett, President Columbia National Bank, Buffalo.
D. E. Ralph, Cashier Ellicott Square Bank, Buffalo.
J. A. Kennedy, Second Vice-President Niagara Bank, Buffalo.
W. J. Hayes, Cashier Niagara Bank, Buffalo.
Arthur D. Bissell, Vice-President People's Bank, Buffalo.
L. F. Gray, Assistant Cashier People's Bank, Buffalo.
James Kerr, Cashier Union Bank, Buffalo.
H. A. Menker, President Union Bank, Buffalo.
F. E. Johnson, Cashier Bank of Cattaraugus, Cattaraugus.
R. S. Litchfield, Cashier Farmers' National Bank, Franklinville.
W. H. Bard, Cashier Bank of Gowanda, Gowanda.
F. E. Bard, Assistant Cashier Bank of Gowanda, Gowanda.
H. S. Spencer, Cashier Bank of Hamburg, Hamburg.
William B. Jackson, President Bank of Holland, Holland.
John Downs, President Exchange Bank, Holley.
Charles M. Dow, President Jamestown National Bank, Jamestown.
A. P. Adams, Cashier Bank of Lancaster, Lancaster.
Butler Ward, President Bank of LeRoy, LeRoy.
W. F. Smallwood, President Citizens' Bank, LeRoy.
J. R. Compton, Cashier Niagara County National Bank, Lockport.
F. E. Johnson, Cashier Bank of Suspension Bridge, Niagara Falls.

F. A. Dudley, Vice-President Electric City Bank, Niagara Falls.
Geo. G. Shepard, Cashier Electric City Bank, Niagara Falls.
D. D. McKoon, Vice-President Frontier Bank of Niagara, Niagara Falls.
W. S. Pierce, Cashier Frontier Bank of Niagara, Niagara Falls.
Arthur Schoellkopf, President Power City Bank, Niagara Falls.
Peter P. Prohl, Cashier Power City Bank, Niagara Falls.
Benj. L. Rand, Cashier State Bank of Tonawanda, North Tonawanda.
James F. Rand, Banker, North Tonawanda.
John T. Symes, Cashier State Bank, Pike.
H. O. Wait, President First National Bank, Salamanca.
F. O. Smith, Cashier Farmers' Bank, Springville.
H. P. Smith, Cashier First National Bank, Tonawanda.
F. W. Crandall, Cashier National Bank of Westfield, Westfield.
Earl W. Card, President Medina National Bank, Medina.
Robert W. Clark, Cashier Medina National Bank, Medina.

GROUP II.

W. J. Weed, Cashier State Bank, Avon.
F. H. Hamlin, President Canandaigua National Bank, Canandaigua.
H. A. Beeman, Assistant Cashier Canandaigua National Bank, Canandaigua.
H. C. Morgan, Cashier First National Bank, Cuba.
F. Fielder, Cashier Citizens' Bank, Dansville.
R. B. Sworts, Cashier Dundee State Bank, Dundee.
M. S. Sandford, Cashier Geneva National Bank, Geneva.
A. M. Holden, Bank of Honeoye Falls.
Wm. S. Scott, Vice-President Bank of Wayne, Lyons.
Mason L. Baldwin, President Baldwin's Bank, Penn Yan.
G. W. Thayer, President Alliance Bank, Rochester.
C. C. Woodworth, President Flour City National Bank, Rochester.
Wm. B. Farnham, Assistant Cashier German-American Bank, Rochester.
H. C. Brewster, Vice-President Traders' National Bank, Rochester.
N. H. Becker, Cashier Exchange National Bank, Seneca Falls.

GROUP III.

W. H. Crandall, President University Bank, Alfred.
M. B. Manley, Cashier Bank of Belfast, Belfast.
Seymour Dexter, President Second National Bank, Elmira.
Aaron G. Pratt, Cashier Bank of Hammondsport, Hammondsport.
Charles Adsit, Cashier First National Bank, Hornellsville.
Milo M. Acker, Counsel First National Bank, Hornellsville.
C. C. Babcock, Vice-President Bank of Hornellsville, Hornellsville.
E. O. Eldredge, Cashier Owego National Bank, Owego.
F. A. Sawyer, Cashier Citizens' Bank, Waverly.
F. E. Lyford, President First National Bank, Waverly.
E. C. Brown, Vice-President Citizens' National Bank, Wellsville.

GROUP IV.

G. W. Hannahs, Cashier Farmers' National Bank, Adams.
W. F. Morris, President First National Bank, Baldwinsville.
Geo. Kellogg, Cashier Citizens' National Bank, Fulton.
H. Sudds, Vice-President and Cashier Bank of Gouverneur, Gouverneur.
W. I. Taber, Cashier Herkimer Bank, Herkimer.
Geo. T. Dunham, Cashier Chenango National Bank, Norwich.
J. C. Estelow, Cashier First National Bank, Oxford.
L. J. Clark, Cashier Pulaski National Bank, Pulaski.
B. F. Petheram, President Bank of Skaneateles, Skaneateles.
Graham K. Betts, Cashier American Exchange Bank, Syracuse.
Fred C. Eddy, Cashier Bank of Syracuse, Syracuse.
Anthony Lamb, Cashier Commercial Bank, Syracuse.
E. S. Tefft, Cashier First National Bank, Syracuse.
F. W. Baker, Cashier Robert Gere Bank, Syracuse.
J. H. Tripp, President First National Bank, Marathon.

GROUP V.

C. Tremper, Jr., Cashier First National Bank, Albany.
Willis G. Nash, Cashier New York State National Bank, Albany.

Andrew S. Booth, President Ballston Spa National Bank, Ballston Spa.
G. Pomeroy Keese, President Second National Bank, Cooperstown.
W. D. West, Cashier Fulton County National Bank, Gloversville.
C. N. Harris, Cashier Manufacturers and Merchants' Bank, Gloversville.
W. H. Rainey, Cashier National Union Bank, Kinderhook.
F. N. Mann, Jr., Vice-President Mutual National Bank, Troy.

GROUP VI.

Benjamin L. Wallace, Cashier Dobbs Ferry Bank, Dobbs Ferry.
J. T. Smith, President First National Bank, Fishkill Landing.
S. D. Coykendall, President First National Bank of Rondout, Kingston.
Frank Barber, Cashier Sullivan County National Bank, Liberty.
Bradford Rhodes, President Mamaroneck Bank, Mamaroneck.
R. G. Brewer, Cashier Mamaroneck Bank, Mamaroneck.
T. Ellwood Carpenter, President Mount Kisco National Bank, Mount Kisco.
John B. Dutcher, President National Bank of Pawling, Pawling.
G. W. Chase, Cashier National Bank of Pawling, Pawling.
C. A. Pugsley, President Westchester County National Bank, Peekskill.
J. N. Wilcox, Cashier First National Bank, Portchester,
Charles F. Van Inwegen, President First National Bank, Port Jervis.
Edward Elsworth, President Fallkill National Bank, Poughkeepsie.
David Cromwell, President White Plains Bank, White Plains.

GROUP VII.

J. A. Nexsen, Cashier Fulton Bank, Brooklyn.
H. Bernard Coombe, Cashier People's Bank, Brooklyn.
E. A. Walker, President Seventeenth Ward Bank, Brooklyn.
Walter E. Frew, President Queens County Bank, Long Island City.
Jos. Dykes, President Flushing Bank, Flushing.
F. A. Overton, Cashier Patchogue Bank, Patchogue.
E. M. Davis, Cashier Bank of Port Jefferson, Port Jefferson.
J. M. Brush, President Bank of Huntington, Huntington.
Henry F. Sammis, Director Bank of Huntington.
Hiram R. Smith, Cashier Bank of Rockville Centre, Rockville Centre.

GROUP VIII.

Alfred C. Barnes, President Astor Place Bank, New York city.
J. T. Mills, Jr., Cashier Chase National Bank, New York city.
J. G. Cannon, Vice-President Fourth National Bank, New York city.
R. W. Poor, Cashier Garfield National Bank, New York city.
E. S. Schenck, Vice-President Hamilton Bank, New York city.
J. M. Donald, Vice-President Hanover National Bank, New York city.
James V. Lott, Cashier Mercantile National Bank, New York city.
Alvah Trowbridge, Vice-President National Bank of North America, New York city.
Charles H. Stout, Cashier National Bank of the Republic, New York city.
A. B. Hepburn, Vice-President National City Bank, New York city.
J. F. Thompson, Cashier Seaboard National Bank, New York city.
G. W. Adams, Cashier Seventh National Bank, New York city.
J. J. Quimby, of Blair & Co., Bankers, New York city.

Hartman Baker, Cashier Merchants' National Bank, Philadelphia.
C. R. Van Brocklin, National Bank Examiner, Cortland, N. Y.
B. S. W. Clark, State Bank Examiner, Albany, N. Y.

SKETCHES OF THE OFFICERS, 1898-9.

CHARLES ADSIT,

President.

The fifth president of the New York State Bankers' Association is Cashier of one of the strongest country banks in the State, and is a gentleman in every way fitted for the position to which he has been called.

Charles Adsit was born at Hornellsville, N. Y., May 20, 1842, and after being educated at Geneva he took a situation in his father's store as clerk and bookkeeper. When the First National Bank of Hornellsville was organized, in 1863, he became a bookkeeper in that bank, and in 1865 was elected Cashier, which position he continues to hold.

The First National Bank, which succeeded to a banking business established in 1849, has $100,000 capital, $70,000 surplus and $14,000 undivided profits, while its deposits are close to $500,000, a sum accumulated without paying interest. It need hardly be said that this is a good showing for a country bank, and naturally Mr. Adsit is proud of his bank.

While Mr. Adsit is first of all devoted to the bank, he takes a keen interest in bankers' organizations and other means of advancing the general welfare. He was one of the organizers of the New York State Bankers' Association, has been secretary and chairman of Group III, and as chairman of the committee of arrangements he was instrumental in adding to the pleasure and profit derived from the recent convention. He is also vice-president of the American Bankers' Association for the State of New York.

Mr. Adsit was Mayor of Hornellsville at the time of the great railway strike in 1877, and his firmness and tact in that trying time aided in restoring peace without bloodshed.

Neither his success as a banker nor his election as president of the association could make him other than he is by nature—a modest gentleman.

JOHN B. DUTCHER,

Vice-President.

Hon. John B. Dutcher, one of the ablest and most distinguished sons of Dutchess county, is noted for his ability as a financier and as an organizer and manager of large corporate interests, as well as for his effective work in political lines. The simplest summary of the various positions of trust and honor which he holds or has held would cover widely different phases of political, social and business life.

He was born in the town of Dover, N. Y., February 13, 1830, was reared as a farmer boy, and obtained his education in the common schools. He has always been engaged in agriculture; at first, in his native town, and later, in the adjoining town of Pawling. In 1860 he married Miss Christina Dodge, of Pawling, and in April, 1861, he located upon his present homestead in that town.

Possessing sound judgment, Mr. Dutcher has gained and kept the confidence of the people at large in an unusual degree.

A Whig in early years, he became a Republican on the organization of that party, and is still an ardent advocate of its principles.

He was a member of the State Assembly in 1861 and 1862, and of the State Senate in 1864 and 1865. In the Assembly he was chairman of the committee on internal affairs, and a member of the committee on railroads. In the Senate he was a member of the committee on cities, and chairman of the committee on internal affairs. For several years he was a member of the State Republican Committee. In 1864 he was a delegate to the national convention which nominated Lincoln, and in 1880 he was sent in the same capacity to the convention that placed Garfield at the head of the national ticket. He keeps closely in touch with all the questions of the day.

In 1864 Mr. Dutcher became a director of the New York and Harlem Railroad, and in 1865 he took charge of the department of live stock transportation on the New York Central and Hudson River and New York and Harlem Railroads, and has ever since held this responsible position, to which have been added the West Shore and the Rome, Watertown and Ogdensburg Railroads.

He is prominently identified with other lines, being a director of the Spuyten Duyvil Railroad, the Poughkeepsie and Eastern Railroad and the New York and Putnam Railroad.

His other business interests are legion; he is President of the Union Stock Yards and Market Company of New York city, and was one of its incorporators; President of the National Bank of Pawling; director of the American Safe Deposit Company; director of the Fifth Avenue Bank, and one of the original stockholders in its incorporation in 1875; member of the Chamber of Commerce and the Produce Exchange, and for many years before its sale was President of the St. Louis National Stock Yards, of which he was one of the founders.

Not the least of his labors have been the successful efforts for the improvement of the Village of Pawling, where he has built a fine block containing a hotel and a number of stores and offices. He is now the president of the village, and to his efforts the village is largely indebted for one of the best water supply systems in the State, and he is president of the board of water commissioners.

In his agricultural matters he is regarded as a leader; he was President of the New York State Agricultural Society for two years, and has been president of the Holstein-Friesian Association of America; he is one of the oldest members of the Union League Club; a member of the Transportation Club, and of the St. Nicholas Society of New York city.

GEORGE W. THAYER,

Treasurer.

This is a very important office, as the treasurer is the custodian and disburser of a considerable amount of money during the year. In selecting Mr. George W. Thayer, of Rochester, for the position the association honored one of its members who has been very successful as a banker.

He was born at Livonia, Livingston Co., N. Y., Dec. 9, 1846. Educated at the common schools and at the Genesee Weslyan Seminary, Lima, N. Y. He began his banking career as Cashier of the Bank of Lima, and was afterward proprietor and sole owner. Later he removed to Rochester, N. Y., and assisted in organizing the Alliance Bank of that city, in 1893, being elected President, and continues to hold that position.

The bank has had phenomenal success since its organization, and ranks high among the financial institutions of western New York; with a capital of one hundred and fifty thousand dollars, it has assets of about a million and a quarter. It has paid in dividends forty thousand dollars, besides accumulating a surplus of about the same amount. These facts are a sufficient indication of how prudently the bank is managed.

WILLIAM I. TABER,

Secretary.

This office is one imposing upon the incumbent no small amount of labor, and requires both tact and energy for the successful discharge of its duties. There is no doubt that Mr. Taber possesses the qualifications necessary to make an efficient secretary. In that part of the State where he is best known he has many loyal friends and has made many others at the various conventions.

He was born at Middleville, N. Y., in 1865; resided for a time at Athens, afterwards removing to Utica.

After graduating from the Utica Academy—that being then his home city—Mr. Taber engaged in teaching for a short time. He went to Herkimer in 1884 and entered the Herkimer Bank as a clerk in that year at the age of eighteen. His expectation was to remain with the bank only during the vacation season, but his success led to his retention in the bank's employ. Three years later he was made Assistant Cashier, and in 1893 was promoted to the position of Cashier, which he now holds.

Since Mr. Taber has been with the bank he has seen the deposits grow from $90,000 to $300,000.

The Herkimer Bank is a staunch one, having $75,000 capital and $15,000 surplus and profits. It was organized in 1868, and became a State bank in 1885. Quite recently the bank has been authorized by the Comptroller of Currency to come into the National system, and will soon be the Herkimer National Bank. These changes in the form of organization may be fairly characterized as indicative of a progressive management in which Mr. Taber has worthily borne his full share.

For eight years Mr. Taber was associated with the Police and Fire Commission, was treasurer of the Light and Water Commission for three years, and is a director of the Herkimer Board of Trade.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1898.	*June 1, 1898.*	*July 1, 1898.*	*Aug. 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	559,645,900	559,646,050	559,646,700
Refunding certificates, 4 per cent......	44,220	41,610	41,520	41,130
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	$847,367,410	$847,367,470	$847,367,730
Debt on which interest has ceased... ...	1,330,270	1,264,850	1,262,680	1,260,050
Debt bearing no interest:				
Legal tender and old demand notes.....	346,735,363	346,735,863	346,735,018	346,735,018
National bank note redemption acct..	32,268,146	31,275,699	30,493,147	30,677,676
Fractional currency....................	6,886,937	6,885,252	6,884,752	6,884,752
Total non-interest bearing debt......	$385,890,446	$384,896,315	$384,112,912	$384,297,441
Total interest and non-interest debt.	1,234,586,337	1,233,528,575	1,232,743,063	1,232,925,222
Certificates and notes offset by cash in the treasury:				
Gold certificates.........................	38,128,149	37,486,149	37,420,149	37,287,149
Silver "	387,925,504	397,782,504	398,556,504	398,922,504
Certificates of deposit..................	44,555,000	26,600,000	26,605,000	23,075,000
Treasury notes of 1890	106,348,280	101,981,280	101,207,280	100,213,280
Total certificates and notes...........	$576,956,933	$563,799,933	$563,788,933	$559,497,933
Aggregate debt	1,811,543,270	1,797,328,508	1,796,328,508	1,792,423,155
Cash in the Treasury:				
Total cash assets	861,391,370	821,070,369	835,466,567	890,069,963
Demand liabilities.......................	625,916,601	625,315,554	629,808,997	635,225,748
Balance	$235,474,769	$195,754,815	$205,657,570	$254,844,215
Gold reserve..........................	100,000,000	100,000,000	100,000,000	100,000,000
Net cash balance........................	135,474,769	95,754,815	105,657,570	154,844,215
Total	$235,474,769	$195,754,815	$205,657,570	$254,844,215
Total debt, less cash in the Treasury.	999,111,568	1,037,778,760	1,027,085,498	978,081,007

AMERICAN BANKERS' ASSOCIATION.

PROGRAMME OF THE TWENTY-FOURTH ANNUAL CONVENTION, TO BE HELD AT THE BROADWAY THEATRE, DENVER, COLO., AUGUST 23, 24 AND 25.

Delegates and visitors will please register at the Association's temporary office, Brown Palace Hotel.

ORDER OF PROCEEDINGS.

Subject to change by vote of the Executive Council or by vote of the Convention.

FIRST DAY—TUESDAY, AUGUST 23, 1898.

Convention called to order at 10 o'clock A. M. by the President, Hon. Joseph C. Hendrix, of New York.

(Vice-Presidents and members of the Executive Council are requested to take seats upon the platform.)

Prayer by the Rev. Father Malone, of the Catholic Church.

Roll Call.

Address of welcome to the State of Colorado by Gov. Alva Adams.

Address of welcome to the City of Denver by the Hon. T. S. McMurray, Mayor.

Address of welcome to the American Bankers' Association by Hon. Joseph A. Thatcher, President of Denver Clearing-House.

Reply to addresses of welcome, and annual address by the President of the Association, Hon. Joseph C. Hendrix.

Annual report by the Secretary, Mr. Jas. R. Branch.

Annual report by the Treasurer, Mr. Walker Hill.

Report of the Auditing Committee.

Report of the Protective Committee.

Report of the Executive Council by the Chairman, Mr. Alvah Trowbridge.

Report of Committee on Uniform Laws, by the Chairman, Mr. Frank W. Tracy.

Report of Committee on Bureau of Education, by the Chairman, Mr. Wm. C. Cornwell.

Meeting of the delegates from the States and Territories to appoint the nominating committee, in accordance with Article III, Section 2, of the Constitution, which reads as follows:

SEC. 2. Immediately after the first adjournment that occurs in the session of the annual convention, the delegations from each State and Territory shall meet, at which several meetings the respective vice-presidents of the States and Territories, if present, shall preside, and these meetings of representatives from the States and Territories shall each select a member who shall constitute and be the committee on nominations. The committee may make its report at any subsequent session of the convention, but its nominations shall not exclude the name of any person otherwise nominated in the convention. The delegates from the several State banks and bankers' associations shall assemble and meet apart after the first ajournment, and in such manner as they may determine, shall nominate to the convention five names for members of the executive council, who shall be members of this association, provided that no State association shall thus be represented by more than one member of the executive council. No delegate from any State association shall, however, be eligible unless he is a member of the American Bankers' Association. The elections for president, vice-president, and for five members of the executive council to be chosen by the association shall be by ballot, unless otherwise ordered.

SECOND DAY—WEDNESDAY, AUGUST 24, 1898.

Convention called to order at 10 o'clock A. M., by the President.

Prayer by the Rev. H. Martyn Hart, Dean of the Episcopal Cathedral.

Announcements.

Call of States. Brief statements, by bankers, of the general condition of business in their various States.

Practical banking questions. (Discussion limited to thirty minutes for each topic; open to all delegates under the five-minute rule; time to be extended by unanimous consent.)

DISCUSSIONS.

1.—Patriotic Spirit of Bankers.
Discussion opened by Mr. J. D. Powers, President First National Bank, Owensboro, Ky.

2.—The Bank Clerk.
Discussion opened by Mr. Jas. T. Hayden, President Whitney National Bank, New Orleans, La.

3.—Practical Safeguards against Check-Raising.
Discussion opened by Mr. A. C. Anderson, Cashier St. Paul National Bank, St. Paul, Minn.

4.—Thirty-seven Years in a Bank.
Mr. E. H. Pullen, Vice-President National Bank of the Republic, New York, N. Y.

THIRD DAY—THURSDAY, AUGUST 25, 1898.

Convention called to order at 10 o'clock A. M., by the President.

Prayer by the Rev. Chancellor W. F. McDowell, President of the Denver University (Methodist).

Unfinished business.

Report of committee on nominations. Elections.

DISCUSSIONS.

5.—Uniform Laws for Holidays as well as "Days of Grace."
Discussion opened by Mr. George M. Reynolds, Cashier Continental National Bank, Chicago, Ill.

6.—The Need of Banking Facilities in Rural Districts.
Discussion opened by Mr. William L. Royall, Richmond, Va.

7.—Banking as it Relates to Industrial Developments.
Discussion opened by Mr. Jno. W. Faxon, Assistant Cashier First National Bank, Chattanooga, Tenn.

8.—The Country Banker.
Mr. W. S. Witham, Atlanta, Ga.

Continuation of discussion of practical banking questions.

Installation of officers elected.

Attention is called to the following: Article VII, Section 1, of the Constitution, reads as follows:

ARTICLE VII.

SEC. 1. Resolutions or subjects for discussion (excepting those referring to points of order or matters of courtesy) must be submitted to the executive council in writing at least *thirty days* before the annual convention of the association; but any person desiring to submit any resolution or business in open convention may do so, and upon a two-thirds vote of the delegates present, the resolution or business may be referred to the executive council to report upon immediately; provided that this shall not apply to any proposed amendments of the Constitution.

TRUST COMPANY SECTION.

Arrangements have been made for the holding of the separate meeting of this section of the association during the convention, of which members of this section will be specially notified.

PRINCIPAL HOTELS.

Brown Palace.—American plan, $2.00 to $5.00 per day. If reserved, $4.00 to $5.00 per day. European plan, $1.50 per day, and upwards.

Albany.—American plan, $2.50 to $4.00 per day.

Windsor.—American plan, $2.00 to $2.50 per day.

Oxford.—European plan, $1.00 to $2.50 per day.

CLUBS.

The Denver University and Denver Athletic Clubs will extend visitors' cards to members of the association, which will entitle them to all privileges of the clubs.

ENTERTAINMENTS.

The local committee has arranged for the entertainment of the delegates and their ladies as follows:—

On Tuesday, a reception at Brown Palace Hotel, from 9 till 12 P. M.

On Wednesday, the second day, starting at 3 P. M., trolley ride round the city, returning to the hotel at 6 P. M.

From 9 to 12 P. M., a smoker will be given at the Athletic Club.

On Thursday, the third day, from 3 to 6 P. M. will be spent in showing the visitors through the famous smelting works, the pleasure grounds at Overland Park, Manhattan Beach, Elitch's Gardens, etc.

A reception will be given from 9 to 12 P. M. at a private residence, after which a special train, made up of Pullman sleepers, will be ready to convey the delegates and their ladies to Cripple Creek, where they will arrive in time for breakfast Friday morning, and that day will be spent viewing the wonders of the Mining Camp at Cripple Creek, the works at Cyanide and Florence. The same train will bring the guests by way of Colorado Springs, and Saturday will be spent around that delightful city, Manitou, Garden of the Gods, and Pike's Peak.

This excursion will afford an opportunity for the delegates to spend a day in this most interesting and famous locality.

REDUCED RAILROAD RATES TO THE CONVENTION.

An arrangement has been effected with the various trunk line associations by which persons attending the convention, who pay full first-class fare going, shall be returned by the same route at one-third the regular rate. Selling agents will furnish, when requested, a certificate with each ticket. These certificates must be presented to the secretary of the association at the convention, in order that they may be duly stamped by the special agent for the railroads. Unstamped certificates will not be honored at the reduced rates.

Applications for certificates and tickets should be made at least thirty minutes before the departure of trains. Certificates are not kept at all stations, but information as to where they may be obtained will be given at any station.

Certificates are not transferable, and return tickets secured upon certificates are not transferable. No refund of fare will be made on account of any person failing to obtain a certificate. The return tickets are good only for a continuous passage.

Be sure to get your certificate as above. Round trip tickets cannot be purchased and reduction obtained.

COLORADO AND THE CONVENTION.

—If you have not yet arranged for your vacation, spend it in Colorado and attend the convention.

—Bankers attending the convention to be held in Denver can leave New York or Boston any afternoon, making connection with the Chicago, Rock Island and Pacific, and arrive at their destination the evening of the second day—only two nights on the train and no change of depots at Chicago.

—Visitors to the convention should not forget the Omaha Exposition, which is well worth seeing.

—Bankers travelling to Colorado via the Chicago, Rock Island and Pacific have the choice of two routes—either via Kansas City or Omaha, with a privilege of stop-over at the latter city to visit the Trans-Mississippi Exposition.

—Colorado Springs will entertain the bankers handsomely, committees for that purpose having been appointed by the local bankers, the Chamber of Commerce and the Mining Exchange.

—The Metropole Hotel, Denver, Colorado, is in the same building with the Broadway Theatre where the bankers' meeting will be held during the convention. The Metropole is a first-class hotel in every particular. Rates from $2.50 per day up. Especial rooms *en suite* for families and small parties.

—Among the bankers who are working hard to give the visitors a rousing reception are Joseph A. Thatcher, President of the Denver National Bank; Geo. E. Ross-Lewin, Cashier of the First National Bank; Thomas Keely, Assistant Cashier of the same bank; H. M. Joralmon, and John C. Mitchell, Cashier of the Denver National Bank.

—Attention is called to the "Bankers' Route," and itinerary mentioned on page 19 of the advertisements in the front part of the MAGAZINE. The elegant fast trains over the lines mentioned give the passenger the finest service between the East and Colorado.

—The State takes great pride in its educational system, ample provision being made both for sustaining the common schools and the higher educational institutions.

—The private banking and investment firm of Joralmon & Co., is one of the oldest and best known in the West. It acts as financial agent for corporations and individuals, in the selection and management of conservative investments in Colorado. A department devoted to real estate is especially valuable in conserving the interests of non-residents who may have acquired investments of this character either by purchase or through the foreclosure of mortgages, and who require technical skill in the handling of real estate, combined with responsibility.

—Colorado has twenty-four lines of railway in operation. These lines embrace 5,300 miles of track, and have an assessed valuation of $32,000,000. The railways of the State yearly disburse $10,000,000 to employees. The salary lists contain the names of more than 12,000 persons.

—The Chicago, Rock Island and Pacific Railway trains comprise the finest Pullmans and dining cars that the car-builders' art can devise; elegant chair cars free on all trains.

—Bankers need not forego any of their usual devotional exercises while in Denver. There are 122 churches in the city.

—Colorado has 1,690 school buildings.

—The press of Denver will aid in making the bankers welcome.

—When traveling via the Chicago, Rock Island and Pacific Railway, passengers will find that nothing is wanting to make their journey pleasant and comfortable. The attendance is always perfect.

—If any of the New York bankers are afraid of being scalped by Indians while in Denver, it may reassure them to state that there are about five times as many Indians in New York as in Colorado.

—The Metropole Café, connected with the Metropole Hotel, Denver, is one of the very best in the city. Bankers stopping in the vicinity, on the European plan, will find this café up to their standard in every particular. Meals served table d'hôte.

—Headquarters of the convention will be at the Brown Palace Hotel.

—A special feature of the Chicago, Rock Island and Pacific Railway's fast trains is the unexcelled dining-car service. These cars are elegantly appointed, and all meals are served *a la carte*.

—Bankers going to the convention at Denver should be sure to take the "Rocky Mountain Limited" or the "Big Five" via Chicago, Rock Island and Pacific Railway.

—The meetings of the convention will be held at the Broadway Theatre.

—Take the Chicago, Rock Island and Pacific Railway's limited trains between Chicago and Colorado for fast time, elegant equipment and luxurious dining-car service. Free reclining-chair cars on all trains.

BANKERS' ASSOCIATIONS.

REPORTS OF RECENT AND PROSPECTIVE MEETINGS.

MARYLAND BANKERS' ASSOCIATION.

The third annual convention of the Maryland Bankers' Association was held at Ocean City, Md., July 21 and 22.

After an address of welcome by Mayor Upshur, of Ocean City, President John B. Ramsay delivered his annual address.

Short speeches were made by W. R. Griffith and Walter R. Henry, National bank examiners.

J. W. Hering, Cashier of the Union National Bank, Westminster, and a member of the State Senate of Maryland, gave a practical talk on banking subjects. In speaking of bank supervision, he said :

"The State has no right, either inherent or acquired, to charter any moneyed institution that it does not carefully, intelligently and constantly supervise. The good of the institution itself, in my judgment, requires it, and for the safety of the community at large it is absolutely necessary.

The general Government, in respect to the National banks, wisely and thoroughly carries on this work. It is hard to conceive of a more rigid system of supervision than is exercised, and I venture to say that there is not a man who is a bank officer and has had experience with the system but that will give it his hearty indorsement.

That our State banks, Savings institutions, trust companies and other institutions of like character in Maryland are of the highest credit and deserve the fullest confidence, is a fact to which we point with pride. They stand with the National banks to challenge the admiration of our people, but there is no valid reason why every institution of the kind should not be subjected by the State to a supervision as complete and examination as thorough as those which have been found useful and necessary for the National banks, such control, however, in all cases to be suited to the particular business which each is authorized by its charter to engage in."

Gen. John Gill read a paper on the relations of banks and trust companies, in which he pointed out special functions appertaining to trust companies which could not be so well performed by banks. He said in conclusion :

"I feel, therefore, warranted in giving utterance to the opinion that trust companies have become as essential to the country as incorporated banks, and as this necessity is recognized by the ablest financial minds of the country, there should not exist any jealousies between them, but they should stand together as financial bulwarks, assist each other as the occasion may arise, advise and co-operate with each other and stand hand to hand in developing the great industries of our country, each in its own province doing all that is possible. I, for one, will rejoice to see this feeling prevail. Bank presidents are among our leading citizens, skilled in finance, and will doubtless recognize the fact that the advent of trust companies in every city of any importance, commercial or financial, has given impetus to commerce and trade and is for the general good."

Robert B. Dixon, President of the Easton National Bank, read an interesting paper on "Pioneer Banking on the Eastern Shore."

Mr. Dixon spoke of the veteran in banking, probably the oldest Cashier in the United States, at least the oldest mentally able to fill the duties of that office, the highly esteemed and venerable Richard Thomas, Cashier for nearly fifty years of the Easton National Bank of Maryland, Commencing in 1846 as a bookkeeper he was soon called to the cashiership, and ever since has remained faithfully at his post, sacrificing all other interests to that of the success of his institution.

Congressman Isaac A. Barber, President of the Farmers and Merchants' National Bank, of Easton, spoke on the currency bill pending in Congress, commending the general features of the bill.

Skipwith Wilmer, a director of the National Farmers and Planters' Bank, Baltimore, spoke on "The People and the Corporations," and Eugene Levering, President of the National Bank of Commerce, Baltimore, discussed the Indianapolis monetary movement.

John M. Nelson and Theodore F. Wilcox, of Baltimore, also made addresses.

The committee on nominations presented its report and the following officers were unanimously chosen for the coming year:

President—Dr. Joshua W. Hering, Westminster.

Vice-Presidents—James A. Gary, Baltimore; Stevenson A. Williams, Belair; Gen. John Gill, Baltimore; E. J. Hipsley, Baltimore; Alex. Neill, Hagerstown; Alexander Burns, Baltimore; Judge Henry Page, Princess Anne; D. C. Winebrenner, Frederick; John Walter Smith, Snow Hill; J. D. Ferguson, Baltimore.

Secretary—Lawrence B. Kemp.

Treasurer—Wm. Marriott.

Council of Administration—John B. Ramsay, Baltimore; Robert Shriver, Cumberland; Charles S. Lane, Hagerstown; H. H. Haines, Rising Sun, and Charles T. Crane, Baltimore.

The resolutions passed by the two previous conventions, strongly declaring in favor of the gold standard, were reaffirmed.

Upon motion of Senator Randall, of Annapolis, the thanks of the association were tendered to John B. Ramsay, the retiring president, after which the convention adjourned.

OHIO BANKERS' CONVENTION.

The eighth annual convention of the Ohio Bankers' Association will be held at Akron, Wednesday and Thursday, September 28 and 29, the date having been changed from 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.

MONEY RATES IN NEW YORK CITY.

	March 1.	*April 1.*	*May 1.*	*June 1.*	*July 1.*	*Aug. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	1½–2½	1½–5	2¼– 3½	1 –1¾	1 –1¼	1 –1½
Call loans, banks and trust companies	2½–	2 –2½	4 –	1½–2	1½–	1½–
Brokers' loans on collateral, 30 to 60 days	3 –3½	4 –4½	6 –	2¼–2½	2½–	2½–
Brokers' loans on collateral, 90 days to 4 months	3½–4	5 –6	6 –	3 –	2½–3	2½–3
Brokers' loans on collateral, 5 to 7 months	4 –	5 –6	6 –	3½–	3 –3½	3 –3½
Commercial paper, endorsed bills receivable, 60 to 90 days	3½–	5 –	6 –	3¾–	3 –3½	3½–3¾
Commercial paper prime single names, 4 to 6 months	3½–4	5½–6	6½–7	4 –4½	3½–4	3¾–4½
Commercial paper, good single names, 4 to 6 months	4½–5	6½–7½	7 –9	5 –6	4½–5½	4½–5½

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.

—Louis A. Heinsheimer, of Messrs. Kuhn, Loeb & Co., has been added to the list of directors of the State Bank.

—On July 21 James D. Layng, Vice-President of the West Shore Railroad Co., was elected Second Vice-President of the Lincoln National Bank.

—The money order department of the New York Post Office for the fiscal year ended June 30 last shows an increase in business as compared with that of the previous year of 343,097 transactions, representing $3,554,782. The total number of transactions was 4,408,005, representing $111,511,490.

—Control of the Plaza Bank, at Fifth Avenue and Fifty-eighth St., has been acquired by interests prominent in the management of the National Park Bank. In speaking of the transaction, Cashier Hickok, of the National Park, said:

"It simply represents the acquisition by some of our directors of a valuable property. Both banks will be conducted so as to be mutually helpful to each other."

There are several other big down-town banks that have acquired control of banks uptown. An extension of this movement to include country banks, which is by no means improbable, would obviate the necessity of introducing the branch banking system into this country.

—The Standard Trust Company opened for business on July 21 at 42 Wall Street. It will do a general banking and trust business, and has $500,000 capital. Officers are: President, Wm. C. Lane; Vice-President, F. K. Sturgis; Treasurer, E. M. F. Miller; Secretary, W. C. Cox. The directors are well-known capitalists.

—During the week ending July 23 the associated banks turned over to the sub-Treasury $16,000,000 in gold coin on account of the new Government loan.

NEW ENGLAND STATES.

Low Interest Rates.—The City of Springfield, Mass., recently borrowed $214,000 of Messrs. Blake Bros., Boston, at 3.10—said to be the lowest rate ever secured by a New England city.

New National Bank Examiner.—Edward H. Carrol, of Warner, N. H., has been appointed a National bank examiner, to succeed Franklin P. Kellogg, of Concord, resigned. Mr. Carrol is an experienced banker and has also filled important official positions.

The Torrens System.—Massachusetts has adopted the Torrens Land Transfer Act, which goes into effect October 1. It greatly simplifies the methods of transferring real estate.

An Embezzler Caught.—Lewis Warner, formerly President of the Hampshire County National Bank, and Treasurer of the Hampshire Institution for Savings, Northampton, Mass., and who is believed to have embezzled $640,000 from those institutions, was apprehended at Louisville, Ky., July 23.

MIDDLE STATES.

New York Trust Companies.—Reports made to the State Banking Department show that in the six months ending June 30 the trust companies of New York State have increased their resources $48,300,000.

New York Savings Banks.—For the year ending June 30 the Savings banks of the State of New York have increased their deposits $45,700,000. There has been a gain of 55,216 in the number of open accounts.

Bankers to Meet.—Group VIII. of the New York State Bankers' Association will hold an outing to Patchogue, N. Y., on Saturday, September 10. The visitors will be the guests of the directors of the Patchogue Bank and their wives. The programme for their entertainment is to meet the bankers upon their arrival at Patchogue and escort them to the Lyceum, where a short business session will be held. While the business meeting is in progress the wives of the visitors will be taken care of by the wives of the local bankers. At

11 o'clock the steamer Bay Shore, which has been chartered for the occasion, will convey the visitors to Point o' Woods, where dinner will be served.

Pittsburg.—The last number of R. J. Stoney's "Pittsburg Banker" contains a table in which a comparison is made of the business of the National and State banks of Pittsburg covering the period between 1880 and 1898. The number of National banks is thirty-one, being an increase of 34.8 per cent. during the eighteen years reviewed. The number of State banks and trust companies is twenty-eight, being an increase of 33.33 per cent. within the past eight years.

A splendid showing of banking resources is made by grouping the totals of the fifty-nine chartered National and State banks. In 1880 they aggregated in round numbers $65,600,000, while now they foot up $143,800,000, an increase of more than 118 per cent. The deposits aggregate $101,200,000, an increase during the eighteen years of 190 per cent. The securities held aggregate a value of more than $80,600,000, an increase of 673 per cent.

—The National Bank of Western Pennsylvania recently opened its new building at Ninth street and Penn avenue.

The new bank is one of the handsomest and most thoroughly equipped in Pittsburg. The architecture is simple and the interior decorations are rich in quality and arrangement. The basement contains a complete kitchen, pantry and dining room, where meals will be served to the bank employees.

Baltimore, Md.—The Guardian Security, Trust and Deposit Co. recently increased its working capital by a sale of $200,000 of its unissued stock.

Philadelphia.—H. Gordon McCouch has been elected Secretary of the Fidelity Trust Co., succeeding H. Herbert Pigott, resigned.

Becomes a National Bank.—The Herkimer (N. Y.) Bank has been reorganized as the Herkimer National Bank; capital, $75,000.

York, Pa.—At a meeting of the board of directors of the Drovers and Mechanics' National Bank, July 20, Samuel Lichtenberger was elected President, and Geo. W. Holtzinger, Vice-President.

New National Bank.—On August 3 the Juniata Valley National Bank, of Mifflintown, Pa., was authorized to begin business with $60,000 capital.

President of Two Banks.—At a meeting of the directors of the National Bank of Elkton, Md., July 12, Mrs. Jacob S. Tome was elected President of the bank to succeed her late husband. Mrs. Tome is also President of the Cecil National Bank, Port Deposit, Md., and of the Jacob Tome Institute.

SOUTHERN STATES.

New Southern Banks.—The Sebastian County Bank was recently incorporated at Greenwood, Ark., with $10,000 capital.

—On July 7 the Citizens' Bank opened for business at Cordele, Ga., with $25,000 capital. It belongs to the system of banks organized by W. S. Witham, of Atlanta.

—A charter has been issued to the Roane Bank, Spencer, West Va. G. P. Stone and others are the incorporators.

—Local capitalists will open the Limestone County Bank at Athens, Ala.

Richmond, Va.—Tucker K. Sands, general bookkeeper of the First National Bank, has been elected Cashier of the Citizens' Exchange Bank, to succeed Samuel G. Wallace, resigned. Mr. Sands will enter on the duties of his new position September 1.

Georgia's Credit Good.—Governor Atkinson, of Georgia, recently made arrangements with the National Park Bank, of New York, to borrow $200,000 on the credit of the State at 2½ per cent. interest.

Houston, Texas.—Owing to the recent death of M. T. Jones, who was President of the South Texas National Bank, the following changes in the officers of the bank are reported: Charles Dillingham has been elected President; Henry Brashear, Vice-President; O. T. Holt, Second Vice-President, and H. F. McGregor, Third Vice-President. J. E. McAshan continues to be Cashier.

Bank Capital Reduced.—The National Valley Bank, of Staunton, Va., has reduced its capital from $200,000 to $100,000. As the bank has a surplus of over $300,000, and large deposits, it was compelled to reduce capital to prevent paying taxes on funds which it could not profitably loan.

WESTERN STATES.

Louisville, Ky.—The Louisville Banking Company, capital $500,000, will ask for a charter as a National bank when its present State charter expires next January. Other banks are reported to be contemplating a similar change.

Chicago.—As an evidence of increased prosperity among the banks it may be mentioned that stock of the Continental National and National Bank of the Republic are in good demand. A price of 155 is now bid for Continental, as compared with 145 recently, while a block of Republic shares was sold a few days ago at 110, an advance of 5⅛ points over recent quotations. The rapid increase in the business of these two institutions are indicated in the last bank statement, their deposits showing large gains for the quarter.

Auxiliary Bankers' Association.—The bankers of the Eighteenth Congress district met at Litchfield, Ill., July 15, and organized an auxiliary to the Bankers' Association of Illinois. W. M. Fogler, of Vandalia, was elected President; L. G. Brown, of Modesto, Vice-President, and Eli Miller, of Litchfield, Secretary and Treasurer.

New Banks Reported.—W. B. Smith and others have incorporated the Farmers and Merchants' Bank, of Slaughtersville, Ky., with $20,000 capital.

—The Grenola (Kas.) State Bank commenced business July 13 with $10,000 capital. This is a reorganization of the Farmers' Bank.

—It is reported that the Drovers' State Bank will begin business at Miltonvale, Kas., about September 1.

—The Foley Banking Co. has been incorporated to do business at Colorado Springs, Colo., with $50,000 capital,

—Officers have been chosen for the new Western Slope Bank, of Montrose, Colo.; the capital is $30,000.

—A charter has been granted to the Superior (Nebr.) State Bank; capital stock, $20,000.

—Charles Reinig has resigned as Teller of the Des Moines (Iowa) Savings Bank, and will establish a bank at Lorimor, Iowa.

—James H. Maxey and others have incorporated the Weatherford (Okla.) State Bank; capital stock, $50,000.

—The State Savings Bank has been chartered at Topeka, Kans., with $25,000 capital. It is intended particularly to encourage savings, and will not enter the field of commercial banking.

Kansas Banking News.—The Marion County Bank, at Florence, has been succeeded by the Marion County State Bank.

—The State Bank, of Lehigh, was recently chartered with $5,000 capital.

—Banks in this State are reported to be in a very prosperous condition. Their deposits have been greatly increased of late, and it is estimated that they hold $12,000,000 surplus above the reserve required by law.

—The Farmers and Merchants' Bank, El Dorado, Kans., has been purchased by eighteen local business men, and will undergo a change in official management. The new owners are men of wealth and reputation, and it is expected that the business of the bank will be not only maintained but increased.

Cincinnati, Ohio.—The Cincinnati Safe Deposit and Trust Co. has consolidated its business with the Central Deposit and Trust Co.

Bank to Reorganize.—It is reported that the Mankato (Minn.) National Bank will reorganize as the Mankato State Bank, employing $60,000 capital.

Going Out of Business.—At a meeting of the directors of the Northern Bank of Kentucky, Lexington, held July 21, it was decided to go out of business, owing to excessive taxation. The bank was an old and strong institution, having a capital of $1,814,000.

Kansas City, Mo.—The New England Safe Deposit and Trust Co. has been reorganized as the New England National Bank; capital, $200,090. John F. Downing, A. W. Childs, K. B. Armour, Chas. J. Hubbard and S. B. Armour are the organizers.

Bank Assessment Decision.—Judge Williams, of Division No. 1 of the Missouri Supreme Court, has filed an opinion in the case of the City of Stanberry *vs.* M. S. Jordan, in which he holds that unincorporated private banks can be legally assessed by any name under which they may do business, but that an incorporated bank must be assessed to its shareholders. The case was one in which Jordan sought to recover the amount of tax assessed against the Bank of Stanberry.

PACIFIC SLOPE.

San Francisco.—At a recent meeting of the Supervisors, sitting as a Board of Equalization, Supervisor Dodge raised the point that, while commercial banks have the legal right to deduct the debts due to *bona-fide* residents of the State from the solvent credits, if any portion of this amount due to *bona-fide* resident of the State is in the nature of an interest-bearing deposit, under a decision of the Supreme Court the bank had no right to include this amount in the deduction, thus leaving a corresponding balance of its solvent credits on which the taxes must be paid. According to the statement of the Manager, the Bank of British North America has such interest-bearing deposits, amounting to over $500,000, which would make it liable to an additional tax of about $8,000. The other Supervisors agreed with Mr. Dodge, and the assessments of such banks as have interest-bearing deposits which were not reported will be increased.

—The Pacific Surety Company proposes to increase its capital stock from $100,000, consisting of 1,000 shares of the par value of $100 each, to $250,000, of 2,500 shares of the par value of $100 each, and a meeting of the stockholders has been called for September 15 to obtain the proper authorization for the increase.

CANADA.

New Branches Opened.—An agency of the Western Bank of Canada has been opened at Pickering, Ont., with Geo. Kerr, Manager.

—The Merchants' Bank of Canada has opened a branch at 2300 St. Catherine St., Montreal, closing its Notre Dame St. branch in that city.

—Branches of the Bank of Ottawa have been opened at Alexandria, Bracebridge and Dauphin.

—The Canadian Bank of Commerce has recently established a number of new branches.

Imperial Bank of Canada.—At the twenty-third general annual meeting of the shareholders of the Imperial Bank of Canada, held at the banking house in Toronto, June 15, the report of the directors showed that the net profits for the year, after providing for bad and doubtful debts, have enabled the directors to pay the usual dividends at the rate of 9 per cent. per annum, to add sufficient to the rest account to bring that account up to $1,200,000, to apply $16,257 to the reduction of bank premises account, and to carry forward at the credit of profit and loss account $24,696 in excess of the amount brought forward from the previous year.

Failures, Suspensions and Liquidations.

District of Columbia.—WASHINGTON.—John W. Macartney, doing a stock brokerage business under the style of Corson & Macartney, suspended July 22. Assets are $36,095; liabilities, $261,143.

Iowa.—On July 19 the Commercial State Bank, Marshalltown, was closed. Liabilities, including capital stock, are $171,000, and assets $108,000. Stockholders, it is said, will make up the deficit to depositors.

—The German Savings Bank, of Doon, closed July 21.

Kansas.—Receiver Thomas T. Kelley, of the Paola National Bank, recently declared a dividend of 50 per cent. in favor of creditors.

Kentucky.—The Northern Bank of Kentucky, of Lexington, went into voluntary liquidation July 21, owing to excessive taxation. Its capital, surplus and profits amounted to about $1,900,000, and it was one of the oldest banks in the State.

Massachusetts.—According to the statement filed by Receiver John W. Mason, of the Hampshire County National Bank, of Northampton, the creditors will be paid in full without assessment upon the shareholders. The report shows good assets amounting to $573,819; doubtful assets, $174,240; worthless assets, $117,209. The total liabilities reported are $565,797. A dividend of 50 per cent. was paid to depositors on July 29.

Michigan.—M. H. French & Co., West Branch, suspended July 22. The failure of the French Land and Lumber Co. is given as the cause of the suspension.

New York.—The German-American Bank, of Tonawanda, has decided to go into liquidation, and has arranged with the Buffalo Commercial Bank to take charge of its affairs with that end in view.

—The banking house of John Hall & Co., at Fort Ann, N. Y., controlled and chiefly owned by J. Melvin Adams, closed August 2. The cause of of failure is said to be injudicious loans. Liabilities are nearly $30,000.

Washington.—A report of the Receiver of the Bank of Sumner, which did business at Puyallup, shows total assets of $43,000 and liabilities $20,000, not including capital.

Wisconsin.—At the time the Plankinton Bank, of Milwaukee, went under in 1893 the value of the assets was $1,884,640, while the liabilities amounted to $1,434,728. There has been paid to the creditors, in dividends and by offsets, $943,671, and there is still due $489,057. The value of assets on hand is placed at $774,502, exclusive of real estate. It is impossible to close the assignment at present, the assignee states, without great loss, and he asks for more time.

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.

5129—First National Bank, Durant, Indian Territory. Capital, $50,000.
5130—First National Bank, Ford City, Pennsylvania. Capital, $50,000.
5131—National Bank of Union City, Union City, Pennsylvania. Capital, $50,000.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

New England National Bank, Kansas City, Mo.; by John F. Downing, *et al.*
First National Bank, Bristol, N. H.; by William C. White, *et al.*
People's National Bank, Dover, N. J.; by Charles E. Clark, *et al.*
First National Bank, McKees Rocks, Pa.; by W. P. Potter, *et al.*
Lincoln County National Bank, Stanford, Ky.; by Thomas J. Foster, *et al.*
Medina County National Bank, Medina, Ohio; by Blake Hendrickson, *et al.*

NEW BANKS, BANKERS, ETC.

ALABAMA.

ATHENS—Limestone County Bank; capital, $100,000.

ARIZONA.

FLAGSTAFF—Bank of E. G. Gosney.

ARKANSAS.

GREENWOOD—Sebastian County Bank; capital $5,000; Pres., R. T. Powell; Cas., R. O. Herbert.

COLORADO.

COLORADO SPRINGS—Foley Banking Co.; capital, $50,000.

SILVER CLIFF—H. H. Hopkins & Co.

GEORGIA.

LAVONIA—Bank of Lavonia.

ILLINOIS.

FARINA—Thomas Zinn.

MILFORD—Russell & Vennum.

PEARL—Exchange Bank (C. A. Manker).

INDIANA.

SILVER LAKE—Adam Stout & Co. (successors to J. C. Cavender & Co.); capital, $7,500; Cas. C. E. Stout.

INDIAN TERRITORY.

DURANT—First National Bank; capital, $50,000; Pres., L. B. Smith; Vice-Pres., Atwood C. Risner; Cas., H. M. Dunlop.

IOWA.

ARCHER—Bank of Archer; Cas., D. H. Smith.

ARTHUR—Farmers' Loan and Trust Co. (successor to Bank of Arthur); Pres., James F. Toy; Cas., Fred J. Whinery.

CAMBRIDGE—Cambridge Savings Bank; capital, $10,000; Pres., A. Nelson; Cas., M. M. Keller.

GRAY—W. D. Creglow & Co.; Pres., W. D. Creglow; Cas., William Lindermann.

HOLSTEIN—E. H. McCutchen & Co. (successors to First National Bank); capital, $25,000.

LAMONI—State Savings Bank (successor to Lamoni State Bank); capital, $14,000; Pres., David Dancer; Vice-Pres., William Anderson; Cas., W. A. Hopkins; Asst. Cas., Oscar Anderson.

MALVERN—Wearin & Barnes (successors to Mills County Savings Bank).

ORIENT—Adair County Savings Bank; capital, $25,000; Pres., Louis Linebarger; Vice-Pres., H. N. Linebarger; Cas., S. E. Wright.

WILTON JUNCTION—Union Savings Bank; capital, $40,000; Pres., A. R. Leith; Vice-Pres., G. M. Franzel; Cas., W. D. Harris.

WIOTA—Exchange Bank; capital, $2,500; Pres., W. E. Simpson; Cas., R. S. Fudge.

KANSAS.

BUSHTON—Bushton State Bank; capital, $5,600; Pres., Wm. Volkland; Vice-Pres., Wm. Schmidt; Cas., Geo. F. Hauser.

FLORENCE—Marion County State Bank (successor to Marion County Bank); capital, $15,000; Pres., F. W. Tucker; Cas., M. M. Ginette.

GRENOLA—Grenola State Bank (successor to Farmers' Bank); capital, $10,000; Pres., Lewis Boys; Vice-Pres., John T. Denton.

LEHIGH—State Bank (successor to Commercial Bank); capital, $5,000; Pres., E. R. Burkholder; Cas., S. L. Armstrong; Asst. Cas., A. B. Hirschler.

MILTONVALE—Drovers' State Bank; capital, $5,000.

NESS CITY—Citizens' State Bank; capital, $7,000.

SYLVIA—Bank of Sylvia; Pres., W. H. Hinshaw; Cas., O. G. Hinshaw.

TOPEKA—State Savings Bank; capital, $25,-000; Pres., A. A. Goddard; Vice-Pres., E. Wilder; Cas., Wm. Macferran.

TURON—State Bank (successor to Bank of Turon); capital, $5,000; Pres., C. R. Reed; Cas., M. H. Potter; Asst. Cas., Josie Wallace.

KENTUCKY.

CARLISLE—Mutual Trust Co.: capital, $20,-000; Pres., Boon Ingles; Vice-Pres., W. F. Kennedy; Sec. and Treas., Charles W. Wood.

PARIS—Geo. Alexander & Co.; capital, $10,-000.

MICHIGAN.

CEDAR SPRINGS—Cedar Springs Exchange Bank; capital, $20,000; Pres., Fred Hubbard; Cas., Herbert W. Wheeler.

LENOX—Macomb County State Bank; Cas., M. W. Davis.

MINNESOTA.

CLEAR LAKE—Bank of Clear Lake (C. D. Schwab).

JANESVILLE—Waseca County Bank.

LAKE CITY—Citizens' Bank; capital, $35,-000; Pres. H. A. Young; Cas., E. T. McCall; Asst. Cas., A. G. Fowler.

MANKATO—Mankato State Bank (successor to Mankato National Bank); capital, $60,-000.

MISSOURI.

DE SOTO—German-American Bank; capital, $15,000; Pres., W. J. Manthe; Vice-Pres., Wm. J. Knapp; Cas., Wm. G. Goff.

FOREST CITY - Bank of Forest City; capital, $25,000.

LEWISTOWN—Lewis County Exchange Bank.

WHEELING—Farmers and Merchants' Bank.

WINFIELD—Bank of Winfield (Thomson & Hewitt); capital, $5,000; Cas., E. T. Thomson.

MONTANA.

TOWNSEND—Hyatt & Dolenty.

NEBRASKA.

LINCOLN—Lincoln Safe Deposit and Trust Co.; capital, $25,000; Pres., Fred Williams; Vice-Pres., W. A. Selleck; Sec. and Treas., W. E. Barkley, Jr.

OAK—Scroggins & Co. Bank; capital, $10,000.

SUPERIOR—Superior State Bank; capital, $20,000; Pres., J. S. Johnson; Vice-Pres., Taylor Lewis; Cas., William L. Wilson.

NEW MEXICO.

SOCORRO—Price Bros. & Co.

NEW YORK.

NEW YORK—Carley, Rosengarten & Co.

NORTH DAKOTA.

DRAYTON—Citizens' Bank; capital, $15,000; Pres., William Moses; Vice-Pres., J. E. Countryman; Cas., J. R. Hogg.

FESSENDEN—Fessenden State Bank; capital, $5,000; Pres., A. H. Birch; Cas., W. S. Birch.

OHIO.

CRESTON—Stebbins Banking Co.; capital, $10,000; Pres., W. P. Stebbins; Cas., John Romich; Asst. Cas., W. H. Romich.

OKLAHOMA.

WEATHERFORD—Weatherford State Bank; capital, $50,000; Pres., James H. Maxey, Vice-Pres., Robert Reed; Cas., O. B. Kee; Asst. Cas., J. H. Maxey, Jr.

OREGON.

ELGIN—Elgin Traders' Bank; capital, $40,000.

PENNSYLVANIA.

BLAIR'S MILLS—Tuscarora Valley Bank.

FORD CITY—First National Bank; capital, $50,000; Pres., Wm. G. Heiner; Cas., Wm. H. Schaefer.

PHILADELPHIA—Gilman & Finninger.

UNION CITY—National Bank of Union City; capital, $50,000; Pres., Wm. Warden; Vice-Pres., F. E. McLean; Cas., J. M. Dunbar; Asst. Cas., Lee Wilson.

SOUTH DAKOTA.

PIERRE—Prudential Trust and Security Co.

TENNESSEE.

FRANKLIN—Citizens' Bank and Trust Co.; capital, $25,000; Pres., R. N. Richardson; Cas., J. B. Campbell.

LEBANON—Wilson Co. Bank: capital $25,000; Pres., W. W. Donnell; Vice-Pres., J. L. Weir; Cas., F. J. Sanders.

TEXAS.

BAY CITY—Bay City Bank; Pres.; Frank Hawkins; Vice-Pres., H. L. Rugeley; Cas., Henry Rugeley.

BROWNWOOD—D. H. Trent & Co. (successors to First National Bank).

LUFKIN—W. H. Bonner.

MERKEL—Steffens, Lowden & Co.

WASHINGTON.

HARRINGTON—Bank of Harrington.

WAITSBURG—Merchants' Bank (successor to First National Bank); capital, $25,000; Pres., Lewis Neace; Cas., J. D. Laidlaw Asst. Cas., L. E. Johnson.

WEST VIRGINIA.

SPENCER—Roane County Bank: capital, $28,000.

WISCONSIN.

KIEL—State Bank; capital, $25,000; Cas., Charles R. Best.

NEILLSVILLE—Commercial State Bank (successor to Victor E. Huntzicker); capital, $25,000; Pres., S. M. Marsh; Cas., H. M. Root.

UNION GROVE—Bank of Union Grove; Pres., J. S. Blakey; Cas., H. G. Hambright.

CANADA.

ONTARIO.

ALEXANDRIA—Bank of Ottawa.

BRACEBRIDGE—Bank of Ottawa.

PICKERING—Western Bank of Canada; Geo. Kerr, Mgr.

BRITISH COLUMBIA.

CRANBROOK—Canadian Bank of Commerce; J. W. H. Smythe, Mgr.

FERNIE—Canadian Bank of Commerce H. H. Morris, Mgr.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

GREENVILLE—Bank of Greenville; J. F. Johnson, Pres., in place of William S. Witham.

HUNTSVILLE—Farmers and Merchants' National Bank and First National Bank; reported consolidated; James R. Stevens. Pres.; W. I. Wellman, Vice-Pres.; James R. Boyd, Cas.

ARKANSAS.

HOT SPRINGS—Arkansas National Bank; no Cas. in place of Fred N. Rix; S. A. Buchanan, Asst. Cas.

COLORADO.

CRIPPLE CREEK—First National Bank; A. S. Carleton, Pres., in place of J. M. Parker; L. Maroney, Vice-Pres. in place of H. K. Devereaux; E. C. Newcomb, Cas. in place of J. L. Lindsay.

GUNNISON—First National Bank; Samuel P. Spencer, Pres. in place of S. G. Gill; W. W. McKee, Cas. in place of Wm. J. Fine; no Asst. Cas. in place of W. W. McKee.

CONNECTICUT.

NORFOLK—Norfolk Savings Bank; R. I. Crissey, Pres. in place of Hiram P. Lawrence.

DELAWARE.

MILFORD—First National Bank; Robert H. Williams, Vice-Pres.

DISTRICT OF COLUMBIA.

WASHINGTON—Columbia National Bank; B. F. Saul, elected director.

FLORIDA.

PENSACOLA—Citizens' National Bank; John F. Pfeiffer, Cas. in place of R. M. Bushnell.

GEORGIA.

CORDELE—People's Bank; capital, $25,000; R. L. Wilson, Pres.; B. H. Palmer, Cas.

UNADILLA—Bank of Unadilla; W. S. Witham, Pres.; J. R. Lockermom, Cas.

ILLINOIS.

EAST ST. LOUIS—Southern Illinois National Bank; Henry D. Sexton, Pres., in place of Benhard Yoch, deceased; Edmund Wallace, Vice-Pres., in place of Henry D. Sexton.

TUSCOLA—First National Bank; E. B. Rogers, Cas., in place of W. H. Lamb.

VIENNA—First National Bank; Louise Rebman, Asst. Cas., in place of Noel Whitehead.

INDIANA.

GALVESTON—Galveston Bank; M. H. Thomas, Proprietor, deceased.

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IOWA.

ELDORA—City State Bank; application for conversion to First National Bank with $50,000 capital approved by Comptroller.

GLENWOOD—Mills County National Bank; D. L. Heinsheimer, Pres. in place of Geo. Mickelwait.

INDIANOLA—First National Bank; J. F. Samson, Cas. in place of G. A. Worth; no Asst. Cas. in place of J. F. Samson.

MADRID—Madrid State Bank; successor to Madrid Bank.

OTTUMWA - Ottumwa National Bank; L. E. Stevens, Cas. in place of Charles E. Bonde; W. S. Hogue, Asst. Cas. in place of L. E. Stevens.

SIGOURNEY—First National Bank; G. D. Woodin, Pres. in place of J. P. Yerger, deceased; E. Laffer, Vice-Pres, in place of G. D. Woodin.

KANSAS.

ABILENE—Abilene National Bank; C. H. Patt.son, Vice-Pres. in place of W. H. Irion.

CAWKER CITY—Farmers and Merchants' State Bank; Lincoln Paris, Pres., deceased.

EL DORADO—Farmers and Merchants' National Bank; Herbert H. Hazlett, Pres.; H. H. Gardner, Cas.

EUREKA—First National Bank; R. J. Edwards, Pres. in place of Daniel Bitler.

KENTUCKY.

BARDSTOWN—People's Bank; W. I. Samuels, Pres., deceased.

FRANKFORT—Farmers' Bank of Ky.: Grant Green, Cas., deceased.

LEXINGTON—National Exchange Bank; corporate existence extended until July 17, 1918.

LOUISVILLE—First National Bank; J. Stine, director, deceased.

MARYLAND.

ELKTON—National Bank of Elkton; E. S. Tome, Pres. in place of Jacob Tome, deceased.

MASSACHUSETTS.

BOSTON—North National Bank; W. S. B. Stevens, Asst. Cas. from July 11 to August 4, with powers of Cas.——People's National Bank of Roxbury; Walter R. Meins, Cas. in place of A. P. Richardson, deceased.——South End National Bank; Walter A. Tripp, Asst. Cas. *pro tem* to act in the absence of Cas. from July 15 to August 15.

CAMBRIDGE—Cambridgeport Savings Bank; Dana W. Hyde, Pres. in place of Daniel U. Chamberlin, deceased.

MALDEN—First National Bank; Edw. P. Kimball, Cas. in place of Arthur T. Tufts; no Asst. Cas. in place of Edw. P. Kimball.

MICHIGAN.

ESCANABA—First National Bank; no Cas. in place of R. Lyman.

LAPEER—First National Bank; no Pres. in place of H. K. White, deceased.

MUSKEGON—Union National Bank; John W. Wilson, Cas. in place of Wm. B. McLaughlin.

MINNESOTA.

AITKIN—Aitkin County Bank; G. A. Eaton, Pres. in place of F. R. Foley.

MINNEAPOLIS — Northwestern Nat. Bank; Geo. A. Pillsbury, Pres., deceased.

MISSOURI.

COLUMBIA—Exchange National Bank; C. B. Bowling, Cas. in place of R. L. Todd, deceased.

PLATTSBURG—First National Bank; James H. Walker, Asst. Cas.

ROLLA—National Bank of Rolla; A. J. Seay, Pres. in place of D. W. Malcolm, deceased; Thomas M. Jones, Vice-Pres. in place of A. J. Seay.

SEDALIA—First National Bank; P. L. Deweese, Receiver in place of W. A. Latimer.

NEBRASKA.

LINCOLN—Capital National and German National Banks; Kent K. Hayden, Receiver, deceased.

SUTTON—Sutton National Bank: Fred. C. Matteson, Cas., deceased.

NEW HAMPSHIRE.

MILFORD—Souhegan National Bank; Frederick T. Sawyer, Cas., deceased.

WINCHESTER—Winchester National Bank; Silas Hardy, Pres. in place of Edward C. Thayer, deceased; F. P. Kellam, Cas. in place of Henry Abbott, deceased; no Asst. Cas. in place of J. Grace Alexander.

NEW JERSEY.

NEWARK — Second National Bank; J. E. Howell, Vice-Pres.

WASHINGTON—First National Bank; Joseph B. Cornish, Vice-Pres. in place of Samuel T. Smith, deceased.

NEW YORK.

BUFFALO—Manufacturers & Traders' Bank; H. T. Ramsdell, Cas. in place of James H. Madison, resigned; R. H. Danforth, Asst. Cas. in place of H. T. Ramsdell; Samuel Ellis 2d Asst. Cas. in place of R. H. Danforth.

COHOES—National Bank of Cohoes; Thomas Breslin, Vice-Pres. in place of Benjamin F. Clarke.

GRANVILLE—Farmers' National Bank; H. H. Searles, Cas. in place of W. D. Temple.

HERKIMER—Herkimer Bank; application for conversion to Herkimer National Bank, with $75,000 capital, approved by Comptroller.

NEW YORK—Standard Trust Co.; capital, $500,000; William C. Lane, Pres.; F. K. Sturgis, Vice-Pres.; E. M. F. Miller, Trea . W. C. Cox, Sec.——Lincoln National Bank; J. D. Layng, 2d Vice-Pres.——Sixth National Bank; Barkley Wyckoff, Asst. Cas.——Chemical National Bank; James A. Roosevelt, Vice-Pres., deceased; also director New York Life Insurance & Trust Co.——State Bank; L. A. Heinsheimer, elected director.——Hollister & Babcock; S. D. Babcock, special partner in place of G. G. Haven, retired.——Merchants' Bank of Canada; Jno. B. Harris, Jr., Mgr., deceased.——Bowery Savings Bank; Robert Maclay, 2d Vice-Pres., deceased; also Pres. Knickerbocker Trust Co.

SANDY HILL—People's National Bank; Lincoln Paris, Cas., deceased.

TROY—Manufacturers' Nat. Bank; Frank E. Howe, Act. Cas. during absence of Cas.

VERNON—National Bank of Vernon; F. A. Gary, Vice-Pres. in place of W. H. Skinner.

OHIO.

CINCINNATI—Cincinnati Safe Deposit and Trust Co. and Central Trust and Safe Deposit Co; consolidated; capital, $250,000 W. H. Doane, Pres.; Lucien Wulsin, Vice-Pres.; Solomon P. Kineon, Second Vice-Pres.; Gazzam Gano, Sec. and Treas.

DAYTON—Dayton National Bank; C. L. Hubbard, Cas.; no Asst. Cas. in place of C. L. Hubbard.

MCARTHUR—Vinton County National Bank; Aaron Will, Jr., Cas. in place of J. W. Delay.

MOUNT VERNON—First National Bank; no Cas. in place of H. A. Sturges, deceased; S. W. Alsdorf, Asst. Cas.

OKLAHOMA TERRITORY.

BLACKWELL—Blackwell State Bank; capital, $5,000; W. S. McGiffert, Pres.; M. B. McGiffert, Cas.

PENNSYLVANIA.

BROOKVILLE—Jefferson Co. National Bank; corporate existence extended until July 27, 1918.

LANSDALE—First National Bank; W. H. Godshall, Cas. in place of Charles S. Jenkins.

MECHANICSBURG—First National Bank; Abner C. Brindle, Cas., resigned.

PHILADELPHIA—Eighth National Bank; James A. Irwin, Pres. in place of Jacob Naylor, deceased; no Cas. in place of Jas. A. Irwin; J. D. Adair, Asst. Cas.——Centennial National Bank; H. M. Lutz, Acting Pres.——Fidelity Trust Co.; H. Gordon McCouch, Sec. in place of H. Herbert Piggott, resigned.

READING—National Bank; C. H. Schaeffer, Vice-Pres.

ROYERSFORD—National Bank of Royersford; E. R. Thomas, Acting Cas. three months from July 27.

YORK—Drovers and Mechanics' National Bank; Samuel Lichtenberger, Pres. in place of Israel F. Gross, deceased; Geo. W. Holtzinger, Vice-Pres. in place of Samuel Lichtenberger.

RHODE ISLAND.

PROVIDENCE—Third National Bank; Wm. H. Perry, Pres. in place of A. A. Sayles, deceased.——Commercial National Bank and Industrial Trust Co.; Joseph Banigan, director, deceased.

SOUTH DAKOTA.

MILBANK—Farmers' Bank; J. C. Elliot, Cas.

SIOUX FALLS—Minnehaha National Bank; W. S. Caldwell, Pres.; P. F. Sherman, Vice-Pres.

TENNESSEE.

CLARKSVILLE—Northern Bank of Tennessee; W. B. Anderson, Vice-Pres. in place of James L. Glenn, resigned.

JACKSON—Second National Bank; W. S. Moore, Cas., deceased.

NASHVILLE—American National Bank; Albert W. Harris, Cas., deceased.

TEXAS.

COLORADO—Colorado National Bank; A. B. Robertson, Pres. in place of H. B. Smoot; H. B. Smoot, Cas. in place of G. H. Colvin.

HOUSTON—South Texas National Bank; Charles Dillingham, Pres. in place of M. T. Jones; Henry Brashear, First Vice-Pres. in place of Charles Dillingham; O. T. Holt, Second Vice-Pres.; H. F. MacGregor, Third Vice-Pres.

MIDLAND—First National Bank; J. T. Pemberton, Cas. in place of W. E. Connell; no Asst. Cas. in place of Geo. D. Elliott.

VIRGINIA.

RICHMOND—Citizens' Exchange Bank; Tucker, K. Sands, Cas. in place of Samuel G. Wallace.

STAUNTON—National Valley Bank; capital reduced from $200,000 to $100,000.

WASHINGTON.

PORT TOWNSEND—Commercial Bank (resumed); J. C. Saunders, Pres.

SPOKANE—Exchange National Bank; Jacob Hoover, Pres., deceased.

WEST VIRGINIA.

HUNTINGTON-Union Savings Bank and Trust Co.; F. D. Fuller, Pres. in place of M. C. Dimmick, deceased.

WISCONSIN.

MENOMINEE—First National Bank; Thomas B. Wilson, Vice Pres. in place of Thomas B. Wilson, Sr., deceased.

WYOMING.

RAWLINS—First National Bank; T. A. Cosgriff, Pres. in place of J. W. Hugus; J. B. Cosgriff, Vice-Pres. in place of I. C. Miller.

CANADA.

QUEBEC.

SOREL—Banque d'Hochelaga; J. F. Boulais, Mgr.

ONTARIO.

OTTAWA—Bank of Ottawa; J. H. Neeve, Mgr.

RAT PORTAGE—Bank of Ottawa; F. R. Godwin, Mgr.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ARKANSAS.

HARRISON—Boone County Bank; in liquidation.

DISTRICT OF COLUMBIA.

WASHINGTON—Corson and Macartney; assigned.

FLORIDA.

KEY WEST—Union Bank.

TAVARES—Bank of Tavares.

ILLINOIS.

BARRINGTON—McIntosh & Co.

CHICAGO—F. W. Straus.

FARINA—Exchange Bank.

INDIANA.

EAST CHICAGO—Given's Lake County Bank (closing).

NEW PARIS—Exchange Bank (closing).

IOWA.

DOON—German Savings Bank.

HOLSTEIN—First National Bank; in voluntary liquidation July 1.

LAMONI—Lamoni State Bank.

MARSHALLTOWN—Commercial State Bank.

KANSAS.

ABILENE—Thomas Kirby's Bank; in hands of P. H. Halleck, Receiver.

KENTUCKY.

LEXINGTON—Northern Bank of Kentucky; in voluntary liquidation July 21.

MICHIGAN.

MANCELONA—Bank of Mancelona.

WEST BRANCH—M. H. French & Co.

MISSOURI.

PIEDMONT—Farmers and Merchants' Bank.

NEW YORK.

FORT ANN—John Hall & Co.; in hands of Orson Sheldon, Receiver.

TONAWANDA—German-American Bank; in voluntary liquidation.

SOUTH CAROLINA.

GREENVILLE—Planters' Bank; in liquidation.

TEXAS.

BROWNWOOD—First National Bank; in voluntary liquidation July 1.

LADONIA—Weldon National Bank; in voluntary liquidation.

LUFKIN—Citizens' Bank.

WACO—Farmers & Merchants' National Bank; in voluntary liquidation.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, August 2, 1898.

A SERIES OF VICTORIES FOR THE AMERICAN ARMS in the war with Spain, without a single defeat, is the record for the month just ended. On July 3 Admiral Cervera's squadron was destroyed; on July 14 Santiago, with about 20,000 Spanish soldiers, was surrendered, and on July 29 the city of Ponce surrendered. Overtures for peace have been made by Spain through the French Ambassador, Cambon, and there is hope that the war is nearing an end.

The progress of the war has had but little effect upon the business or financial situation. The usual mid-summer dullness, which retards exchange operations, in the last few weeks has been materially aided by the intense heat, which was not limited to New York alone. The effect of the heat has been particularly noticeable in the corn-growing section of the country, where considerable damage has been done to the crop, although late in the month in some localities the much-needed rain put in an appearance.

The wheat crop, however, is in the main secure against unfavorable weather, and as the Department of Agriculture reported the condition of winter wheat on July 1 at 85.7 as compared with 81.2 in 1897, 75.6 in 1896, and 65.8 in 1895, and of spring wheat at 95 as compared with 91.2 in 1897, and 93.3 in 1896, the wheat position may be considered as very satisfactory. The estimates of yield vary from 600,000,000 to 700,000,000 bushels, but in any event the crop will be the largest ever known.

The condition of corn on July 1 was 90.5 as compared with 81.9 in 1897, but the average is low as compared with other years, while a decrease of 3 per cent. in acreage with the hot weather that prevailed since July 1 makes it certain that the yield of corn this year will be considerably reduced. However, the surplus of corn carried over from last year's crop is large, the visible supply on July 1 having been considerably in excess of that of the corresponding period in a number of years past. On the other hand, the visible supply of wheat is smaller than in any year since 1891, a fact which may favorably influence the price of that staple even in the face of the large yield. The movement of wheat is smaller than it was a year ago, and there is evidence that the farmers are holding for better prices.

The principal financial event of the month was the sale of the $200,000,000 three per cent. 10-20 bonds by the Government. The "popular loan" was a complete success so far as the disposing of the bonds was concerned; as to the popularity, however, the question who are the people must be answered first. Applications for the bonds reached a total of nearly $1,400,000,000, and only the subscribers in amounts of less than $5,000 will get any of the bonds. The new bonds have already become active at the New York Stock Exchange, although they have not yet been issued, and more than $2,000,000 were dealt in at prices ranging from 104 to 104⅝.

That a 3 per cent. bond, subject to redemption in ten years, should command a premium of 4 per cent. or more is pretty good evidence both of the splendid credit of the Government and of the abundance of capital. In 1879 Government 4½'s having twelve years to run sold at the Stock Exchange at 104@107⅞, and 4's having twenty-eight years to run at 99 @ 104¼. The latter bonds, which will mature in nine years, now sell at a premium of ten per cent. The same downward tendency in the earning power of money is observable in municipal, railroad and other securities, many of which are being refunded into bonds bearing a rate of interest two to three per cent. lower than bonds issued twenty or thirty years ago carried.

Although there has been a general increase in activity in business, the local money market continues weak, and loans are made at the lowest rates that have ever ruled for any length of time. The supply of money is greater than was ever before known, and the growth of banking facilities and increase in the number of clearing-house associations now established in about ninety cities have helped to increase the usefulness of money.

The month of July is not usually a good business month, but July this year is the exception. Reports from various industries are unusually favorable. In no previous year was the volume of business as large as it was last month. The bank clearings for the country were about nine per cent. heavier than in July, 1892, the best previous year.

The railroads are still suffering from rate wars and the decreased grain movement has also helped to make a poor showing for earnings for July. Still the first six months of the year make a very favorable showing, and it is estimated that the gross earnings for that period were $65,000,000 larger than in 1897.

That the railroads are beginning to make money is indicated in increased railroad construction, the Chicago "Railway Age" estimating the new track laid in the first half of 1898 at 1,181 miles—the largest total since 1892. This compares with 622 miles in the first six months of 1897, 788 miles in 1896, 641 miles in 1895 and 525 miles in 1894. The same authority reports only seven railroads placed in the hands of receivers during the same time, with an aggregate mileage of 347 miles and stock and bonded debt of $25,376,000. In the first half of 1893 twenty-seven roads with a mileage of 5,282, and stock and bonds of $670,831,000, went into receivers' hands. Here is decided evidence of increased prosperity.

Another significant fact pointing in the same direction is to be found in the report of the Post Office Department, based upon the receipts of the fifty largest post offices in the United States during June. The receipts were $3,295,865, against $2,994,357 in June, 1897, an increase of ten per cent. If this increase is maintained throughout the year the receipts will be the largest in the history of the department.

That the country is in a condition of prosperity probably no one doubts, and but for the war the evidence of this fact would receive more general consideration. During the past month we have been getting many reports for the fiscal year which ended June 30, and the results there shown are in many cases without a parallel in the country's history.

The solid basis of prosperity was unquestionably laid in the large crops last year and the favorable market for grain and other American products during the past twelve months. The American farmer has shared in the prosperity as he probably never did before to so large an extent. The "American Agriculturist" figures that from the staple crops of 1897-8 the farmers received $2,079,000,000, an increase of $300,000,000 over 1895; from other produce $1,000,000,000, an increase of $200,000,000, and from live stock $2,037,000,000, an increase of $309,000,000 making a total of $5,116,000,000, and a total increase of $809,000,000. It estimates an increase of $191,000,000 in the value of farms in the last two years, making the total gain to agriculture in a little more than two years $1,000,000,000. In the same time it says that $100,000,000 of farm mortgages were paid off.

Turning to the official statistics published by the Government we find corroborative evidence of the improved condition of the farmer in the large increase in values of farm products exported during the past year. We show the values of breadstuffs, provisions and cotton, and also of petroleum, for each of the past eight fiscal years.

YEAR ENDED JUNE 30.	*Wheat and flour.*	*Corn.*	*Total Breadstuffs.*	*Provisions.*	*Cotton.*	*Petroleum.*
1891	$106,125,888	$18,599,664	$128,121,656	$139,017,471	$290,712,898	$52,026,734
1892	236,761,415	42,510,421	299,363,117	140,362,159	258,461,241	44,805,992
1893	169,029,317	25,380,592	200,312,654	138,401,591	188,771,445	42,142,058
1894	128,678,811	30,981,680	166,777,229	145,270,643	210,869,289	41,499,806
1895	95,457,591	15,299,611	114,604,780	133,634,379	204,900,990	46,660,082
1896	91,735,085	38,490,983	141,356,993	131,503,590	190,056,460	62,369,073
1897	115,834,525	54,989,213	197,857,219	137,138,084	230,890,971	62,458,979
1898*	212,891,639	75,260,062	324,706,060	154,454,074	229,907,477	55,171,001

* Full returns for 1898 not yet published.

In only two years, 1892 and 1880, were the exports of wheat and flour as large as they were in the past twelve months. Corn exports were never as large, while the value of breadstuffs is $25,000,000 larger than for any previous year. The exports of provisions are exceeded only by those of 1881, and are only about $2,000,000 less than for that year. Both cotton and petroleum were exported in larger quantities than ever before, but the low prices ruling made the values fall below those of other big years. Comparing 1897–8 with 1894–5, however, there is an increase of $265,000,000, or more than fifty per cent. in the total value of the products mentioned in the above table.

While these classes of exports comprise a large proportion of the total, nevertheless we exported last year $466,000,000 of other merchandise, making a total for the year of more than $1,231,000,000, which exceeds by $181,000,000 the highest previous record made in 1897 and by $202,000,000 the next highest record made in 1892. Our imports were exceptionally small, and the result is a net balance of exports of $615,000,000, which is $350,000,000 larger than the greatest balance recorded in any year prior to 1897, and is $329,000,000 larger than for even that year. In the five years, 1877 to 1881 inclusive, our exports of merchandise exceeded those of any similar period until now. It will be of interest to compare the last five years with that period, and for this purpose we show the net balances of merchandise gold and silver for those periods as follows:

YEAR ENDED JUNE 30.	*Net exports of Merchandise.*	*Net exports of silver.*	*Net imports of gold.*	*Total net exports.*
1877	$151,152,094	$15,043,683	*$344,140	$166,539,917
1878	257,814,234	8,044,571	4,125,760	261,733,045
1879	264,661,666	5,738,775	1,037,834	269,363,107
1880	167,683,912	1,227,980	77,119,371	91,792,521
1881	259,712,718	6,297,477	97,466,127	168,544,068
Total five years	$1,101,024,624	$36,352,486	$179,404,452	$957,972,658
1894	$237,145,950	$37,164,713	*$4,528,942	$278,839,605
1895	75,568,200	27,084,107	*30,083,721	132,736,028
1896	102,882,264	31,764,484	*78,884,882	213,531,630
1897	286,263,144	31,413,411	44,653,200	273,023,355
1898	615,259,024	24,180,658	104,985,283	534,454,399
Total five years	$1,317,118,582	$151,607,373	$36,140,938	$1,482,585,017

* Exports.

In the period 1877–81 we exported net of merchandise $1,101,024,624, and of silver $36,352,486 and imported $179,404,452 gold, making the total net exports $957,972,658. In the last five years our net exports of merchandise have been $1,317,118,582 and of silver $151,607,373, while our imports of gold were $36,140,938, making total net exports $1,482,585,017, or nearly $475,000,000 more than in 1877 to 1881. It is not sur prising therefore that last year we imported nearly $105,000,000 of gold, or $7,500,000 more than in any previous year. In the last five years it is probable that we have succeeded in reducing our indebtedness abroad at least $700,000,000 and possibly as much as $900,000,000.

Our heavy imports of gold in the past two years and our rapidly increasing domestic production of gold have enabled us without the assistance of silver to increase our money supply to proportions never before equalled. We now have more gold in circulation and in the United States, in use as money, than ever before. The amount of gold in the United States Treasury, in circulation and in the country, on July 1 of each of the past eight years, is as follows:

JULY 1.	*Net gold in the United States Treasury.*	*Gold in Circulation.*	*Total gold in the United States.*
1891	$117,667,723	$528,924,205	$646,591,928
1892	114,342,367	550,003,079	664,345,446
1893	95,485,414	496,603,719	592,089,133
1894	64,873,025	564,218,399	629,091,424
1895	107,512,363	528,656,626	636,168,989
1896	101,699,605	498,449,242	600,148,847
1897	140,790,738	556,432,594	697,223,332
1898	167,004,410	696,780,519	863,784,929

The Government owned more gold on July 1 last than at any previous time since August, 1890, but did hold more a short time in 1881 and from December, 1886, to August, 1890. The gold in circulation never reached $600,000,000 until January, 1894, and the highest amount until 1898 was $604,873,335. Since July, 1896, the gold in circulation has increased $212,000,000. The total supply of gold in the country is now $863,784,929, the largest amount ever reported, and an increase since December, 1895, of $265,000,000. The increase in the total money supply is shown in the following table:

JULY 1.	*Net cash in United States Treasury.*	*Money in circulation.*	*Total money in the United States.*
1891	$176,459,302	$1,499,726,795	$1,675,186,097
1892	147,9[illegible]6,392	1,603,073,338	1,750,979,480
1893	138,520,092	1,593,726,411	1,732,246,503
1894	141,787,882	1,664,061,232	1,805,849,114
1895	214,950,703	1,604,131,968	1,819,082,671
1896	288,679,727	1,509,725,200	1,798,404,927
1897	261,341,453	1,646,028,246	1,907,369,699
1898	231,543,818	1,843,435,749	2,074,979,667

The last column shows the total supply of money exclusive of certificates and Treasury notes of 1890 which are represented by coin, bullion or notes in the United States Treasury. The net cash in the Treasury has increased since July 1 by reason of the payments on account of the new bonds, but on July 1 it was $123,000,000 more than on January 31, 1894. The highest amount ever held was $330,763,985 in August, 1888. The money in circulation on July 1 was nearly $104,000,000 more than at any time prior to the present year and has increased nearly $334,000,000 since June, 1896. The stock of money in the United States has increased $167,000,000 in the past year and makes a larger aggregate than for any previous time. There has been an increase of about $295,000,000 since January, 1895.

Further testimony of the improved condition of the country is afforded by the National banks of the country. The following table shows the changes in the last eight years in their condition:

ON OR ABOUT JULY 1.	No. of banks.	Capital.	Surplus.	Individual deposits.	Loans.	Resources.
1891	3,652	$672,903,597	$227,199,041	$1,535,058,569	$1,963,704,948	$3,113,415,254
1892	3,759	684,678,203	2[illegible]8,239,971	1,753,339,680	2,127,757,191	3,493,794,587
1893	3,807	685,786,719	249,138,300	1,556,761,230	2,020,483,671	3,213,261,732
1894	3,770	671,091,165	245,727,674	1,677,801,201	1,933,589,353	3,422,096,423
1895	3,715	658,224,180	247,782,176	1,736,022,007	2,004,475,559	3,470,553,307
1896	3,689	651,144,8[illegible]5	248,368,424	1,668,413,508	1,959,166,369	3,353,797,076
1897	3,610	632,153,042	246,403,782	1,770,480,563	1,966,891,501	3,563,408,054
1898*	3,586	624,471,670	247,695,979	1,999,308,439	2,097,094,235	3,869,966,858

* May 5.

While there has been a decrease in numbers and in capital of the National banks, their individual deposits, loan and resources are now larger than ever before. In the last two years the deposits have increased about $331,000,000, loans $138,000,000 and resources $516,000,000. There is every reason to believe that these institutions will show even greater gains in the future.

Finally, we look to the iron industry as a fairly accurate index of the business situation. Here also we find all previous records broken, and while prices are still on a low basis production is far ahead of any previous output. We give by half-years the production of pig iron for the last eight years with the weekly capacity of furnaces in blast on July 1 of each year.

YEARS.	Production first six months.	Production second six months.	Production twelve months.	Weekly capacity, furnaces in blast end of year, July 1.
	Tons.	Tons.	Tons.	Tons.
1890-1891	4,642,190	3,368,107	8,010,297	171,115
1891-1892	4,911,763	4,769,683	9,681,446	169,151
1892-1893	4,387,317	4,56[illegible],918	8,950,235	153,762
1893-1894	2,561,584	2,717,983	5,279,567	85,950
1894-1895	3,939,405	4,087,558	8,026,963	171,194
1895-1896	5,358,750	4,976,236	10,334,986	180,532
1896-1897	3,646,891	4,403,476	8,050,[illegible]67	164,064
1897-1898	5,249,204	5,909,703	11,158,907	216,311

The production of the first six months or 1898 is the largest ever recorded for any half-year and brings the total for the twelve months up to more than 11,000,000 tons, exceeding the record of two years ago by about 824,000 tons. The weekly capacity of the furnaces in blast is now 52,247 tons more than it was a year ago, and it is quite probable that the coming year will witness a further increase. There has been a decrease in the weekly output since March 1 of 18,119 tons, but a number of furnaces have shut down for repairs. For the last two months stocks of pig iron have been decreasing and are now 36,218 tons less than on May 1.

THE MONEY MARKET.—Some apprehension has existed regarding the effect upon the money market by the large payments for the new Government loan, but rates for money have continued easy during the month and the Government has been making such arrangements as it could to prevent even temporary stringency. Money is in ample supply while the demand is moderate.

At the close of the month call money ruled at 1 to 1⅛ per cent. the average rate being about 1¼ per cent. Banks and trust companies quote 1½ per cent. as the minimum. Time money on Stock Exchange collateral was quoted at 2½ per cent. for 60 days to 90 days, 3 per cent. for four to five months, 3 @ 3½ per cent. for six months and 3½ per cent. for longer periods. For commercial paper the rates are 3½ @ 3¾ per cent., for 60 to 90 days endorsed bills receivable, 3¾ @ 4¼ per cent. for first-class four to six months single names, and 4½ @ 5½ per cent. for good paper having the same length of time to run.

NEW YORK CITY BANKS.—The Government operations in connection with the new bond issue have disturbed the condition of the local banks, as evidenced by a decrease of about $22,000,000 in reserves and of $20,000,000 in the surplus reserve in the past four weeks and of $16,000,000 in deposits in the last three weeks. Deposits on July 9 reached the highest aggregate ever reported, being slightly in excess of $758,000,000, but have since fallen below $742,000,000. Nearly $20,000,000 of specie was drawn out of the banks since July 2, but the banks still hold nearly three times as much specie as legal tenders. Loans are nearly $16,000,000 larger than at the beginning of the month but are still about $105,000,000 less than the deposits.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
July 2...	$620,963,800	$186,070,200	$63,462,000	$750,074,600	$62,013,550	$14,659,800	$826,863,600
" 9...	633,675,300	180,498,700	62,363,600	758,068,000	58,345,800	14,620,400	617,814,900
" 16...	639,858,500	176,766,400	62,0[illegible]6,000	757,786,300	49,365,825	14,538,800	720,893,100
" 23...	634,945,900	167,641,500	60,702,700	741,328,800	48,012,000	14,434,300	63[illegible],290,400
" 30...	636,766,700	166,505,100	60,819,400	741,680,100	41,904,475	14,391,900	644,528,300

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	729,214,300	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	696,006,400	53,704,600
July	499,046,900	20,328,275	604,983,700	41,384,875	750,074,600	62,013,550
August	485,014,000	17,728,600	623,045,000	45,720,150	741,680,100	41,904,475
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	666,278,000	22,122,950		

Deposits reached the highest amount, $758,068,000, on July 9, 1898, and the surplus reserve $111,623,000 on February 3, 1894.

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.*
July 2	$180,861,000	$191,463,000	$15,053,000	$5,465,000	$6,309,000	$115,003,588
" 9	180,517,000	190,177,000	14,678,000	5,259,000	6,314,000	90,226,400
" 16	179,393,000	188,669,000	14,924,000	5,331,000	6,306,000	96,6[illegible]9,700
" 23	178,576,000	186,838,000	15,340,000	5,442,000	6,226,000	92,299,400
" 30	178,832,000	187,420,000	15,333,000	5,700,000	5,999,000	87,092,000

PHILADELPHIA BANKS.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
July 2	$118,443,000	$128,526,000	$39,900,000	$5,915,000	$84,612,600
" 9	114,003,000	129,915,000	41,122,000	5,877,000	56,832,800
" 16	114,078,000	131,527,000	41,726,000	5,881,000	70,987,000
" 23	114,545,000	130,459,000	41,447,000	5,900,000	66,888,500
" 30	115,239,000	130,696,000	40,571,000	5,871,000	61,493,900

EUROPEAN BANKS.—The Bank of England lost about $16,000,000 of gold last month, heavy shipments being made to the interior of England, also to Russia and Holland. A small shipment was made late in the month to New York. The Bank of France lost $1,000,000 and the Bank of Germany $5,000,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	January 1, 1898.		*July 1, 1898.*		*August 1, 1898.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£30,453,493	....	£38,534,607	....	£35,283,046	....
France	78,114,972	£48,230,367	75,079,968	£49,529,626	74,878,817	£49,520,824
Germany	29,316,000	15,102,000	29,551,000	15,223,000	28,511,000	14,688,000
Austro-Hungary	36,475,000	12,334,000	34,949,000	12,632,000	35,064,000	12,687,000
Spain	9,431,000	10,300,000	9,834,000	4,291,000	10,213,000	5,338,000
Netherlands	2,629,000	6,820,000	2,900,000	7,007,000	3,701,000	6,928,000
Nat. Belgium	2,824,000	1,412,000	2,913,000	1,457,000	2,949,000	1,474,000
Totals	£189,243,465	£94,198,367	£193,761,575	£90,139,626	£190,599,863	£90,585,824

MONEY RATES ABROAD.—There has been little change in rates for money in the European financial centers. The Bank of England has maintained its rate of discount at 2½ per cent. The Bank of France rate remains at 2 per cent. Discounts of 60 to 90 day bills in London at the close of the month were 1½ @ 1⅝ per cent. against 1 @ 1⅛ per cent. a month ago. The open rate at Paris was 1¾ @ 1⅞ per cent., against 1¾ per cent. a month ago; at Berlin 3⅛ @ 3¼ per cent., a decline of ¼ @ ⅜ per cent., and at Frankfort 3⅛ @ 3¼ per cent., a decline of ⅜ @ ½ per cent.

MONEY RATES IN FOREIGN MARKETS.

	Feb. 11.	*Mar. 18.*	*Apr. 1.*	*Apr. 29.*	*June 10.*	*July 8.*
London—Bank rate of discount	3	3	3	4	3	2½
Market rates of discount:						
60 days bankers' drafts	2¾	2⅞—3	2⅞	3½—⅝	1⅝—$\frac{7}{16}$	1⅛
6 months bankers' drafts	2½—⅝	2⅞	2⅞	3½—⅝	1⅞—2	2
Loans—Day to day	2	2	2	2½	1	½
Paris, open market rates	1¾	1$\frac{13}{16}$	1⅞	2	1¾	1¾
Berlin, "	2⅝	2¾	2¾	3¼	3½	3⅝
Hamburg, "	2⅞	2⅞	2¾	3⅜	3½	3⅝
Frankfort, "	2$\frac{11}{16}$	2⅞	2⅝	3¾	3½	3⅝
Amsterdam, "	2⅝	2½	2⅝	2⅞	2½	2½
Vienna, "	3⅝	3⅜	3⅝	4	3⅞	3⅞
St. Petersburg, "	5	5	4¾	4¾	5¼	5
Madrid, "	4	4	4	5	5	5
Copenhagen, "	4	4	4	4	4½	4½

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Apr. 13, 1898.	*May 11, 1898.*	*June 15, 1898.*	*July 13, 1898.*
Circulation (exc. b'k post bills)	£27,802,810	£27,556,645	£27,310,025	£28,106,255
Public deposits	11,996,514	11,403,473	11,494,625	7,278,369
Other deposits	35,906,140	43,516,141	44,908,893	46,877,855
Government securities	13,197,953	13,187,953	13,328,051	13,791,630
Other securities	34,087,675	35,775,252	36,278,747	33,468,378
Reserve of notes and coin	18,433,658	23,812,767	27,639,102	25,040,372
Coin and bullion	29,436,468	34,569,412	38,155,127	36,346,627
Reserve to liabilities	38⅜%	43¼%	48$\frac{15}{16}$%	46⅛%
Bank rate of discount	4%	4%	3%	2½%
Market rate, 3 months' bills	2⅞@3¾%	3¾%	1½%	1⅜%
Price of Consols (2¾ per cents.)	110⅝	111	111$\frac{7}{16}$	111$\frac{11}{16}$
Price of silver per ounce	26d.	26$\frac{1}{16}$d.	26¾d.	27¼d.
Average price of wheat	35s. 2d.	42s. 4d.	45s. 4d.	36s. 10d.

FOREIGN EXCHANGE.—Sterling exchange was firm but quiet early in the month but later became weak, long declining 1¼ and sight ¾. The higher rates for money in the London market have influenced sterling while there have been offerings of commercial futures and some spot bills against grain shipments.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

Week ended	Bankers' Sterling.		*Cable transfers.*	*Prime commercial. Long.*	*Documentary Sterling. 60 days.*
	60 days.	*Sight.*			
July 2	4.84¼ @ 4.84¾	4.85½ @ 4.86	4.85¾ @ 4.86¼	4.83¾ @ 4.84¼	4.83 @ 4.83½
" 9	4.84½ @ 4.84¾	4.85¾ @ 4.86	4.86 @ 4.86¼	4.84 @ 4.84¼	4.83½ @ 4.83¾
" 16	4.84½ @ 4.84¾	4.85¾ @ 4.86	4.86 @ 4.86¼	4.84 @ 4.84¼	4.83½ @ 4.83¾
" 23	4.83¾ @ 4.84	4.85¼ @ 4.85½	4.85½ @ 4.85¾	4.83¼ @ 4.83½	4.82¾ @ 4.83
" 30	4.83¼ @ 4.83½	4.85 @ 4.85¼	4.85¼ @ 4.85½	4.82¾ @ 4.83	4.82¼ @ 4.82½

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	April 1.	*May 1.*	*June 1.*	*July 1.*	*August 1.*
Sterling Bankers—60 days	4.80¾— 1	4.80¾— 1	4.84 — ¼	4.84¼— ½	4.83¼— ½
" " Sight	4.83¾— 4	4.84 — ¼	4.86¼— ½	4.85¾— 6	4.85 — ¼
" " Cables	4.84¼— ½	4.84¾— 5	4.86½— ¾	4.86 — ¼	4.85¼— ½
" Commercial long	4.80 — ¼	4.80 — ¼	4.83¼— ¾	4.83½— 4¼	4.82¾— 3
" Docu'tary for paym't.	4.79½—80½	4.79½—80½	4.82¾— 3¼	4.82¼— 3½	4.82¼— ½
Paris—Cable transfers	5.22½— 1⅞	5.21⅞— ¼	5.19⅜—	5.19⅜— 8¾	5.19⅜—
" Bankers' 60 days	5.24⅜—	5.23¼—	5.21⅞— ¼	5.21¼—20⅝	5.21⅞— ¼
" Bankers' sight	5.23⅛— 2½	5.22½— 1⅞	5.20 1/16—	5.19⅜—	5.20 —19⅜
Antwerp—Commercial 60 days.	5.27½— 6⅞	5.28⅛— 7½	5.24⅜— 3¾	5.23⅛— 2½	5.23¾—
Swiss—Bankers' sight	5.25 — 4⅜	5.24⅜— ¾	5.21⅞— ¼	5.20⅝— 1 1/16	5.21¼—20⅞
Berlin—Bankers' 60 days	93 15/16— 4	93 13/16— ⅞	94 9/16— ⅝	94¾— 13/16	94 9/16— ⅝
" Bankers' sight	94⅜— 7/16	94 5/16— ⅜	95 — 1/16	95¼— 5/16	95 1/16— ⅛
Brussels—Bankers' sight	5.23¾—	5.23⅛—	5.20⅝—	5.20 —19⅜	5.20 —
Amsterdam—Bankers' sight	39 15/16—40	40 — 1/16	40¼— 5/16	40¼— 5/16	40¼— 5/16
Kronors—Bankers' sight	26¾— 13/16	26 11/16— ¾	26 13/16— ⅞	26 13/16— ⅞	26 13/16— ⅞
Italian lire—sight	5.52⅝—49⅝	5.60 —57	5.59⅛— 2¼	5.58½— 5½	5.61⅛ —58⅛

SILVER.—The London price of silver shows a net decline of ¼ d. per ounce for the month. The market was strong until near the end of the month on purchases for Spain but declined from 27⅞d. to 27d. between July 23 and 29 and closed at 27 1-16 d.

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	26⅜	27⅞	27
February	31 3/16	30¾	29¾	29 11/16	26¼	25 3/16	August ..	31⅝	30⅝	26½	23¾		
March	31 11/16	31⅛	29⅝	28 3/16	26 1/16	25	Septemb'r	30 11/16	30	27¼	23¾		
April	31 3/16	30 15/16	28½	28 3/16	26 5/16	25 11/16	October..	30 3/16	29¾	27½	26		
May	31 3/16	30 15/16	28 3/16	27⅝	26⅞	25⅞	Novemb'r	30 3/16	29¾	27½	26⅜		
June	31 9/16	31 3/16	27¾	27⅛	27⅛	26 11/16	Decemb'r	30	29 13/16	27¾	25 5/16		

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	.45½	$ .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, 27 1/16d. per ounce. New York market for large commercial silver bars, 58⅝ @ 59½c. Fine silver (Government assay), 58¾ @ 59⅞c.

GOLD AND SILVER COINAGE.—The mints coined last month gold, $5,853,900; silver, $1,027,834, of which $310,000 was silver dollars; minor, $59,010; total, $6,940,744.

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	18,770,900	1,617,654	5,385,463	1,488,189
April	8,800,400	1,535,000	8,211,400	948,000
May	4,489,950	1,600,000	7,717,500	1,483,000
June	2,100,547	1,856,754	6,903,932	1,432,185
July	377,000	260,000	5,853,900	1 027,884
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	$41,577,497	$9,120,722

NATIONAL BANK CIRCULATION.—There was a decrease in bank circulation last month of $1,119,832, the circulation based on United States bonds being reduced $1,385,407 while the deposits of lawful money to retire circulation were increased $265,575.

NATIONAL BANK CIRCULATION.

	Apr. 30, 1898.	May 31, 1898.	June 30, 1898.	July 31, 1898.
Total amount outstanding	$226,030,136	$227,612,845	$227,816,702	$226,696,870
Circulation based on U. S. bonds	194,138,732	196,155,935	197,078,092	195,692,685
Circulation secured by lawful money	31,891,404	31,456,910	30,738,610	31,004,185
U. S. bonds to secure circulation:				
Four per cents. of 1895	27,654,150	28,359,150	28,206,150	27,546,150
Pacific RR. bonds, 6 per cent	3,0·1,000	3,665,000	3,665,000	3,665,000
Funded loan of 1891, 2 per cent	22,301,750	22,263,000	22,260,500	22,104,250
" " 1907, 4 per cent	147,014,600	147,387,100	147,728,600	147,304,100
Five per cents. of 1894	17,111,150	17,703,650	18,341,150	17,906,150
Total	$217,162,650	$219,877,900	$220,201,400	$218,525,650

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1895, $9,358,000; Pacific Railroad 6 per cents., $361,000; 2 per cents of 1891, $1,534,500; 4 per cents of 1907, $20,304,000; 5 per cents. of 1894, $6,715,000; a total of $38,272,500.

The circulation of National gold banks, not included in the above statement, is $83,195.

UNITED STATES PUBLIC DEBT.—The public debt statement does not include the new three per cent. bonds for which the Government has received considerable payments on account; the result is that there was an apparent decrease in the net debt last month of $49,000,000 notwithstanding the fact that the receipts were more than $30,000,000 less than the expenditures. There is therefore nearly $80,000,000 of an apparent discrepancy following one of about $25,000,000 in June. This would indicate that $100,000,000 or more of the proceeds of the bonds have gone into the Treasury cash. As soon as the bonds are issued the debt statement will make a very different showing. The table showing the public debt statement will be found on page 308.

FOREIGN TRADE.—The fiscal year of the Government ends June 30 and the Bureau of Statistics statement of foreign commerce for the year just closed shows that our exports of merchandise were valued at $1,231,000,000 and our imports at $616,000,000 leaving a balance of $615,000,000 net exports, a record never before approached. We imported net nearly $105,000,000 of gold, which also is the largest amount for any year in the history of the country. We exported net $24,000,000 of silver which is the smallest for any year since 1893. Our exports of merchandise were $180.000,000 larger than in the previous year and about $424,000,000 more than in 1895. Imports were, however, nearly $149,000,000 less than in 1897 and $250,000,000 less than in 1893.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF JUNE.	MERCHANDISE. Exports.	Imports.	Balance.	*Gold Balance.*	*Silver Balance.*
1893	$65,446,569	$69,694,544	Imp., $4,247,975	Exp., $1,701,544	Exp., $2,430,284
1894	57,504,487	51,783,712	Exp., 5,720,775	" 22,376,872	" 2,606,441
1895	54,967,830	61,662,044	Imp., 6,694,214	Imp., 2,163,731	" 2,087,522
1896	66,705,871	56,163,740	Exp., 10,542,131	Exp. 5,933,530	" 1,856,949
1897	73,193,034	85,183,021	Imp., 11,989,987	" 6,533,620	" 2,087,968
1898	94,808,263	51,267,591	Exp., 43,541,672	Imp., 2,955,083	" 2,127,847
TWELVE MONTHS.					
1893	847,665,194	866,400,922	Imp., 18,735,728	Exp., 87,506,463	Exp., 17,544,067
1894	892,140,572	654,994,622	Exp., 237,145,950	" 4,528,942	" 37,164,718
1895	807,538,165	731,969,965	" 75,568,200	" 30,083,721	" 27,084,107
1896	882,606,938	779,724,674	" 102,882,264	" 78,884,882	" 31,764,484
1897	1,050,993,556	764,730,412	" 286,263,144	Imp., 44,653,200	" 31,413,411
1898	1,231,311,868	616,052,844	" 615,259,024	" 104,985,283	" 24,180,658

MONEY IN CIRCULATION IN THE UNITED STATES.—The money in circulation was reduced last month more than $34,000,000 as the result of the payments to the Government on account of bond subscriptions. More than one-half was in gold, which decreased nearly $16,000,000. There were decreases in all other kinds of money except silver dollars.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1898.	*June 1, 1898.*	*July 1, 1898.*	*Aug. 1, 1898.*
Gold coin	$547,568,360	$649,571,881	$660,959,880	$645,246,054
Silver dollars	61,491,073	57,596,423	57,259,791	57,298,336
Subsidiary silver	65,720,308	64,042,000	64,323,747	63,994,457
Gold certificates	36,557,689	35,883,209	35,820,689	35,693,679
Silver certificates	376,695,592	391,225,265	390,659,080	389,119,436
Treasury notes, Act July 14, 1890	103,443,936	100,226,855	98,665,580	95,735,553
United States notes	262,480,927	290,202,987	286,572,329	278,084,187
Currency certificates, Act June 8, 1872	43,315,000	26,540,000	26,045,000	21,975,000
National bank notes	223,827,755	224,609,636	223,129,708	222,056,642
Total	$1,721,100,640	$1,839,898,256	1,843,435,749	$1,809,198,344
Population of United States	73,725,000	74,389,000	74,522,000	74,656,000
Circulation per capita	$23.34	$24.73	$24.74	$24.23

MONEY IN THE UNITED STATES TREASURY.—The net money in the United States Treasury increased $39,000,000 last month, about $30,000,000 being in the total cash and $9,000,000 being a decrease in certificates and Treasury notes outstanding.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1898.	*June 1, 1898.*	*July 1, 1898.*	*Aug. 1, 1898.*
Gold coin	$151,910,176	$110,702,400	$104,775,284	$125,843,472
Gold bullion	45,559,060	96,998,864	98,049,765	99,294,921
Silver Dollars	394,327,049	403,583,999	404,736,731	405,018,186
Silver bullion	102,284,736	98,443,952	98,195,494	97,871,697
Subsidiary silver	10,679,899	12,144,069	12,097,682	11,995,063
United States notes	84,200,089	56,478,029	60,108,687	68,596,829
National bank notes	5,186,886	3,086,784	4,770,474	4,732,423
Total	$794,147,895	$781,338,067	$782,734,117	$813,338,611
Certificates and Treasury notes, 1890, outstanding	560,012,217	553,875,329	551,190,299	542,523,668
Net cash in Treasury	$234,135,678	$227,462,738	$231,543,818	$270,814,943

MONEY IN THE UNITED STATES.—The addition to the total stock of money in the country last month was about $5,000,000; there was an increase of $6,500,000 in gold, and a decrease of $1,100,000 in bank notes, the difference being made up by a decrease in silver.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1898.	June 1, 1898.	July 1, 1898.	Aug. 1, 1898.
Gold coin	$699,478,536	$760,274,281	$765,735,164	$771,089,526
Gold bullion	45,559,060	96,998,864	98,049,765	99,294,921
Silver dollars	455,818,122	461,180,422	461,996,522	462,306,522
Silver bullion	102,284,736	98,443,952	98,195,494	97,871,697
Subsidiary silver	76,400,207	76,086,089	76,421,429	75,969,540
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	229,014,641	227,696,370	227,900,177	226,780,065
Total	$1,955,236,318	$2,067,360,994	$2,074,979,567	$2,080,018,287

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

GOVERNMENT REVENUES AND DISBURSEMENTS.—Although the revenues were nearly $10,000,000 greater in July than in the previous month, the expenditures for war and navy purposes were so large, more than $43,000,000, that the Government reports a deficit of $30,416,367. The new revenue law has already given practical results, as shown in the increase of $9,500,000 in internal revenue receipts a scompared with June and of more than $6,000,000 compared with July last year.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	July, 1898.	Since July 1, 1898.
Customs	$15,169,681	$15,169,681
Internal revenue	26,170,697	26,170,697
Miscellaneous	2,506,730	2,506,730
Total	$43,847,108	$43,847,108
Excess of expenditures	$30,416,367	$30,416,367

EXPENDITURES.

Source.	July, 1898.	Since July 1, 1898.
Civil and mis	$12,061,387	$12,061,387
War	34,774,153	34,774,153
Navy	8,514,280	8,514,280
Indians	669,869	669,869
Pensions	12,657,894	12,657,894
Interest	5,585,892	5,585,892
Total	$74,263,475	$74,263,475

UNITED STATES TREASURY CASH RESOURCES.

	April 30.	May 31.	June 30.	July 30.
Net gold	$180,963,631	$171,922,142	$166,473,139	$189,808,578
Net silver	5,733,488	9,006,464	10,904,100	13,939,103
U. S. notes	31,621,433	30,208,559	33,606,769	46,630,137
Miscellaneous assets (less current liabilities)	*28,217,044	*40,061,586	*45,754,222	*46,938,754
Deposits in National banks	28,817,446	28,731,883	36,300,722	57,532,929
Available cash balance	$218,938,954	$199,807,462	$201,530,722	$260,936,993

* 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	$164,236,793
February	24,400,997	28,796,056	148,661,209	28,572,358	26,599,256	167,623,182
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	44,314,062	181,238,137
May	29,797,390	29,109,259	144,319,562	30,074,818	47,849,909	171,818,055
June	36,584,708	22,934,694	140,790,788	33,509,313	47,852,281	166,473,139
July	39,027,364	50,100,909	140,817,699	43,847,108	74,263,475	*189,808,578
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	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.

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 July, 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.		July, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	17	9⅛	18⅝—Feb. 7	10¼ - Apr. 21	14⅛	13⅛	13¼
“ preferred	35⅛	17	35¾—July 12	22⅞—Mar. 12	35¾	33⅝	34⅝
Baltimore & Ohio	21⅛	9	21¼—June 17	12⅜—Jan. 25	15⅛	12⅜	14
Bay State Gas	16¾	3⅞	5⅛—Jan. 21	2⅜—Mar. 21	4¼	3	4
Brooklyn Rapid Transit	37⅝	18⅝	59¼—July 30	35 —Mar. 12	59¼	53⅛	59¼
Canadian Pacific	82	46½	90½—Jan. 20	72 —Apr. 21	85¾	83⅝	84⅛
Canada Southern	62⅛	44⅛	57⅜—Feb. 5	44⅛—Mar. 12	55⅝	51⅞	53
Central of New Jersey	103¼	68¼	98¼—Jan. 7	86½—Mar. 26	94½	87	89¾
Central Pacific	18	7⅛	16¾—July 30	11 —Apr. 23	16¾	13⅛	16¾
Ches. & Ohio vtg. ctfs	27⅛	15⅝	24⅞—Feb. 1	17¼—Mar. 26	23⅛	22½	22⅞
Chicago & Alton	170	140	166⅞—Jan. 14	150 —Mar. 14	....	....	....
Chicago, Burl. & Quincy	102¼	69⅝	107¾—June 11	85⅞—Mar. 26	107⅛	104⅛	106⅛
Chicago & E. Illinois	61	37¼	66 —June 1	49 —Apr. 19	57¾	54	54
“ preferred	103	95	113½—Feb. 1	102 —Jan. 7	108⅛	107	107⅛
Chicago Gas	108¾	73¼	....	....	....	....	....
Chicago, Great Western	20⅝	3⅝	16¼—Jan. 8	9½—Feb. 24	15⅝	13⅛	15⅛
Chic., Indianapolis & Lou'ville	13	8	10¼—Jan. 14	7 —Feb. 24	11	9½	10¾
“ preferred	38¼	26	38½—July 27	23 —Apr. 16	38½	30	35¾
Chic., Milwaukee & St. Paul	102	69¼	102⅛—June 1	83¼—Apr. 21	100¾	97⅞	100
“ preferred	146	130½	152 —July 15	140 —Apr. 25	152	149	152
Chicago & Northwestern	132½	101¾	132 —July 27	113¼—Mar. 12	132	125	131⅝
“ preferred	165⅛	153	175 —July 26	163 —Jan. 3	17·	171	175
Chicago, Rock I. & Pacific	97¼	60¼	108⅜—June 1	80 —Mar. 25	98	95	96¾
Chic., St. Paul, Minn. & Om.	89½	47	85¼—July 11	65 —Mar. 12	85¼	76	83⅜
“ preferred	150⅝	133	155 —Feb. 28	148 —Jan. 5	155	155	155
Clev., Cin., Chic. & St. Louis	41½	21½	44¼—June 17	25 —Mar. 12	43½	40¾	42½
“ preferred	86½	63	88¾—June 17	77½—Mar. 9	87	87	87
Col. Coal & Iron Devel. Co.	2	⅜	⅞—Jan. 28	¼—Apr. 7	½	⅜	⅜
Col. Fuel & Iron Co.	27⅞	15¾	26⅝—Jan. 11	17 —Mar. 12	23	20	21
Col. Hocking Val. & Tol.	18	1½	8¼—Feb. 10	4¾—July 30	6¼	4¾	4¾
“ preferred	46	14	27½—Feb. 10	17 —Jan. 7	22	22	22
Consolidated Gas Co.	241½	136½	205½—June 9	167 —Mar. 26	201¼	195	198⅝
Delaware & Hud. Canal Co.	123	99⅝	114½—Feb. 3	103 —July 16	108⅛	103	107
Delaware, Lack. & Western	164	146½	159 —Feb. 5	144¼—Apr. 21	158	152	158
Denver & Rio Grande	14¾	9¼	13 —Jan. 12	10 —Apr. 26	12	12	12
“ preferred	50½	36	53¾—Feb. 9	40 —Apr. 21	51¾	48⅛	50⅝
Edison Elec. Illum. Co., N. Y.	132½	101¾	135 —Jan. 20	119 —Apr. 8	134	129¾	131½
Erie	19	11½	16¼—Feb. 4	11 —Apr. 21	13⅝	13	13½
“ 1st pref	46⅝	27	43⅜—Feb. 11	29¼—Apr. 22	36½	33⅞	35
“ 2d pref	25⅝	15½	21⅜—Feb. 11	15½—Apr. 22	17½	17½	17½
Evansville & Terre Haute	34	20	26 —May 11	22 —May 9	26	25½	25½
Express Adams	165	147¼	180 —Feb. 10	97¼—Apr. 29	103¼	99	102½
“ American	119½	109½	140 —July 20	116 —Jan. 5	140	129½	136
“ United States	48	37	45 —Feb. 9	38 —Apr. 14	42	40¼	42
“ Wells, Fargo	120	97	123 —June 24	112½—May 5	122½	117½	119
Great Northern, preferred	141	120	130 —June 30	122 —July 1	129¾	122	129¾
Illinois Central	110¾	91½	111½—July 12	96 —Apr. 21	111½	105	109⅝
Iowa Central	13¾	6	10 —June 11	7¼—Mar. 18	9½	9¼	9½
“ preferred	41¾	23	35¼—June 11	25 —Apr. 28	33	31¾	32½
Laclede Gas	49¾	22	52 —June 3	37½—Mar. 25	51¾	49½	51¼
“ preferred	96	70¼	94½—Jan. 14	85 —Mar. 12	93	91⅛	93
Lake Erie & Western	22½	13	18⅝—Feb. 8	12½—Mar. 14	15	14½	14¾
“ preferred	79⅞	58¼	76¼—Feb. 8	66 —Mar. 14	71½	69½	71⅛
Lake Shore	181	152	194¾—Jan. 29	170¾—Jan. 4	190	189¼	190
Long Island	55	38	51 —June 1	40 —Jan. 20	50	50	50
Louisville & Nashville	63⅞	40⅛	60½—Jan. 31	44 —Apr. 21	54⅝	51⅜	53⅝
Manhattan consol	118	81¾	120¼—Jan. 14	91 —Mar. 26	107¾	104	107
Metropolitan Street	133½	99¾	171½—Feb. 14	125¼—Mar. 26	160	146⅜	158½
Michigan Central	111⅞	90	114⅞—Feb. 8	99½—Mar. 12	107	104	106¾
Minneapolis & St. Louis	31½	16	30⅞—Feb. 15	24 - Mar. 11	28¾	28⅛	28¾
“ 1st pref	90	77¾	91 —June 27	84 —May 14	88	88	88
“ 2d pref	62¾	46	63 —June 8	46 —Mar. 26	59¾	58	58½
Missouri, Kan. & Tex.	16⅞	10	14¼—Jan. 26	10 —Apr. 18	11½	11	11
“ preferred	42	24¾	41 —Jan. 28	28¾—Mar. 12	36	33¼	35

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1897.		Highest and Lowest in 1898.		July, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	40¼	10	36⅞—July 12	22 —Mar. 12	36⅞	34⅛	35½
Mobile & Ohio	32	18	32½—Feb. 7	24¾—Apr. 19	27	26	27
N. Y. Cent. & Hudson River	115½	92½	119¾—Jan. 28	105 —Mar. 26	119½	115⅝	118⅝
N. Y. Chicago & St. Louis	17⅝	11	15⅝—Jan. 31	11⅝—Mar. 14	15	12	12
" 1st preferred	81½	67⅝	76 —Jan. 31	65 —May 10	75	75	75
" 2d preferred	43½	24	40¼—Jan. 29	28 —Mar. 25	38¼	35	36
N. Y., New Haven & Hartf'd	186	160	195½—Feb. 2	178¼—Jan. 7	190	187½	190
N. Y., Ontario & Western	20⅛	12¾	18⅞—Feb. 2	13⅜—Apr. 25	15¼	14½	14¾
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	14	14	14
" preferred	48⅛	17	56¼—Feb. 7	42½—Mar. 12	54⅛	50¼	53
North American Co	6⅛	3⅝	7⅛—July 7	4¼—Jan. 15	7⅛	5⅞	6⅝
Northern Pacific tr. receipts	22⅝	11	31⅛—June 6	19 —Feb. 24	30¼	28⅜	29¾
" pref tr. receipts	61⅝	32⅛	72 —July 27	56⅞—Mar. 12	72	69¼	71½
Oregon Railway & Nav	41	10	51¼—Feb. 1	35½—Jan. 7	48¾	48¾	48¾
" preferred	73½	37⅞	74 —June 11	65½—Mar. 29	71	71	71
Oregon Short Line	23¾	10⅞	33¾—Feb. 17	19⅜—Jan. 8	31	28	31
Pacific Mail	39¼	24	32⅝—Feb. 4	21 —Apr. 21	30	28	29⅝
Pennsylvania R. R	119	103½	120⅝—Feb. 7	110¾—Mar. 12	118	115¾	117
Pitts., Cin. Chic. & St. Louis	30½	11½	47½—May 1	38⅞—Jan. 5	44½	42¼	43
" preferred	70½	44½	71 —Feb. 7	57 —Mar. 23	65	60	62¼
Pullman Palace Car Co	185	152	216 —July 5	165 —Mar. 12	216	207	211
Reading Voting Tr. ctfs	29¼	16¼	23⅝—Jan. 6	15½—Mar. 25	19¼	16	17½
" 1st prefered	57¾	38½	54⅛—Feb. 3	36 —Mar. 12	47	38¼	41½
" 2d preferred	35⅞	22½	29 —Jan. 6	18⅞—Mar. 26	23¼	19⅛	21
Rome, Wat, Ogdens' g	122½	117	123 —Jan. 4	116¼—Mar. 26	122	122	122
St. Louis & San Francisco	9	4	8⅜—June 3	6 —Mar. 26	7¾	7¼	7½
" 1st preferred	59⅜	37	65⅝—June 6	52½—Mar. 12	62½	61	61
" 2d preferred	27½	12	32⅛—June 1	22½—Feb. 24	29½	27¾	29
St. Louis & Southwestern	7	1	5¾—June 17	3¾—Jan. 24	5¾	5	5¼
" preferred	14⅜	3½	12⅝—June 7	7¾—Mar. 12	11¾	11⅛	10⅝
St. Paul & Duluth	30	20	25 —Jan. 8	18⅛—July 6	18⅛	18⅛	18⅛
" preferred	87½	75	87½—Feb. 14	78 —Apr. 20	80	80	80
St. Paul, Minn. & Manitoba	125	114	162 —July 29	123⅞—Jan. 12	162	142½	162
Southern Pacific Co	23⅛	13½	22 —Jan. 12	12 —Apr. 13	20⅛	19	19⅞
Southern Railway	12¼	7	9⅞—Feb. 10	7 —Apr. 21	8¼	8¼	8⅜
" preferred	38⅜	22⅞	33¼—Feb. 11	23⅝—Mar. 26	31⅞	29½	31⅝
Tennessee Coal & Iron Co	35⅛	17	28½—Jan. 11	17 —Mar. 12	26⅛	24½	25½
Texas & Pacific	15	8	13⅛—July 14	8⅞—Mar. 12	13⅛	12	12½
Union Pacific trust receipts	27¾	4½	36½—Feb. 1	16⅛—Mar. 25	24⅝	23⅜	23¾
Union Pac., Denver & Gulf	11⅜	1	10¼—Feb. 18	5¼—July 28	8	5¼	5½
Wabash R. R	9¾	4⅝	7⅞—Jan. 12	6¼—Mar. 26	7¾	7⅛	7⅝
" preferred	24⅝	11½	20½—May 9	14¼—Mar. 7	19½	18⅛	19¼
Western Union	96¼	77¼	95 —June 24	82¼—Mar. 26	93⅞	91½	93
Wheeling & Lake Erie	6½	½	3¾—Jan. 11	¾—July 22	2	¾	2
" preferred	29	2⅜	16 —Jan. 12	8 —July 9	13	8	12
Wisconsin Central	4⅜	1	3⅞—Jan. 17	⅞—Jan. 6	2⅛	1⅞	2⅛
"Industrial" Stocks:							
American Co. Oil Co	26⅞	9½	24¾—July 22	15½—Mar. 25	24¾	20¾	23¾
" preferred	80½	52¼	79¼—July 26	66 —Mar. 14	79¼	73½	78½
American Spirits Mfg Co	15⅞	6½	15⅜—June 9	6½—Jan. 20	14⅜	11⅛	11¾
" preferred	36	15	40⅜—June 27	16 —Mar. 26	38½	32½	36
American Sugar Ref. Co	159½	109⅛	145⅛—June 6	107½—Mar. 26	141	129⅜	138⅝
" preferred	121½	100¼	116 —Jan. 6	103 —Mar. 25	114⅛	113	113
American Tobacco Co	96⅜	67½	123 —July 7	83¾—Jan. 24	123	117⅜	121⅞
" preferred	115	100	129½—July 28	112¼—Mar. 26	129½	120	129½
General Electric Co	41⅜	28⅝	40½—July 6	29¼—Mar. 12	40½	38¼	39⅝
National Lead Co	44	21⅞	37⅞—Jan. 7	26¼—Mar. 26	37	33¼	36⅞
" preferred	109¾	88⅜	110 —July 21	99 —Apr. 22	110	107	109⅝
National Linseed Oil Co	23½	10	21⅞—May 23	4 —July 28	17⅛	4	6½
National Starch Manfg. Co	13	3	9 —Feb. 10	5 —Apr. 25	5¾	5¾	5¾
Standard Rope & Twine Co	11¾	2¾	7 —May 23	3¼—Jan. 3	6¼	5¾	5¾
U. S. Leather Co	10¼	6¼	8⅞—May 24	5¼—Apr. 25	7⅝	7⅛	7⅛
" preferred	72	50½	69¼—May 25	53¾—Mar. 26	69	65¾	68¼
U. S. Rubber Co	25¼	10	39⅛—July 30	14¼—Mar. 12	39½	24¼	38¾
" preferred	76⅞	50	97 —July 30	60 —Mar. 12	97	88	96½

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.	July Sales. High.	July Sales. Low.	July 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	85½	July 26,'98	85½	83½	39,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	120,636,500	A & O	95	July 30,'98	95½	93½	3,348,500
• registered		....	A & O	93⅝	July 1,'98	93⅞	93⅝	500
• adjustment, g. 4's	1995	51,728,000	NOV	70½	July 30,'98	71¾	67⅝	8,615,500
• 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	82½	Feb. 8,'96	....	....	....
Atlanta & Danville 1st g. 5's	1950	1,238,000	J & J	98	July 25,'98	98	97¾	25,000
B. & O. 1st 6's (Parkersburg br.)	1919	3,000,000	A & O	112½	July 30,'98	113¼	110	453,000
• 5's, gold	1885–1925	3,021,000	F & A	116	July 30,'98	116½	113½	142,000
• coupons off				....	....	....	....	....
• registered			F & A	110¾	July 25,'98	113¼	110¾	6,000
• eng. ctfs of deposit		6,979,000	......	111¼	July 28,'98	111½	108	239,000
B. & O. con. mtge. gold 5's	1988	5,265,000	F & A	115	July 28,'98	115½	112	705,000
• registered			F & A	113¾	July 22,'98	113¾	112	30,000
• J.P.M. & Co. cfs. dep'it		6,713,000	......	114¼	July 29,'98	115⅛	112½	257,000
Balti. Belt, 1st g. 5's int. gtd.	1990	6,000,000	M & N	99¾	July 28,'98	100	99½	82,000
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	100	July 7,'98	100	100	6,000
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		....	......	101	July 26,'98	101	100	66,000
Pittsb. & Connellsville 1st g. 4's	1946	2,536,000	J & J	107¼	July 28,'98	107¼	106	25,000
B & O. Southwest'n 1st g. 4½'s	1990	10,667,000	J & J	101½	July 30,'98	101⅞	101½	39,000
• 1st c. g. 4½'s	1993	10,511,000	J & J	102½	July 7,'98	102½	102½	15,000
• 1st inc. g. 5's "A"	2043	8,651,000	NOV	27½	June 8,'98	....	....	....
• "B"	2043	9,655,000	DEC	9	June 6,'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	122½	July 12,'98	122½	120	36,000
• 1st Spr'gfield div. 7's	1905	1,984,000	M & N	106	July 28,'98	106	104½	66,000
• 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	112	July 1,'98	112	112	1,000
Brooklyn E. Tr. Co. cfs 1st g. 6s's	1924	3,464,000	......	92	July 26,'98	93	91½	137,000
• Tr. Co. ctfs. 2d g. 5's	1915	1,246,000	......	....	....	....	....	....
• all instal. paid			......	86	June 27,'98	....	....	....
Seas. & B. B. Tr. Co. cfs. 1st g. g. 5's	1942	1,857,000	......	70½	Dec. 14,'97	....	....	....
• all instal. paid			......	....	....	....	....	....
Union Ele. Tr. Co. ctfs. 1st g. g. 6's	1937	6,124,000	......	91⅞	July 28,'98	92½	91	272,500
Brooklyn Rapid Transit g. 5's	1945	6,398,000	A & O	103½	July 30,'98	104	102¼	367,000
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	July 30,'98	106	105¼	31,000
• 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	122	July 16,'98	123	122	6,000
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	106½	July 22,'98	106¾	106¼	6,000
• con. 1st & col. tst 5's	1934	6,425,000	A & O	107	July 29,'98	107	107	89,000
• 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.

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NAME.	Principal Due	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	JULY SALES. High.	JULY SALES. Low.	JULY SALES. Total.
Canada Southern 1st int. gtd 5's,	1908	13,920,000	J & J	108⅛	July 28,'98	109	108⅛	64,000
" 2d mortg. 5's,	1913	5,100,000	M & S	110	July 30,'98	110	109	40,000
" registered			M & S	106⅛	May 22,'97	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1937	4,880,000	M & N	92⅛	June 30,'98	....	....	....
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	114⅛	June 3,'98	....	....	....
" registered $1,000 & $5,000			F & A	....	....	....	....	....
" con. g. 5's	1945	16,500,600	M & N	89⅛	July 30,'98	89⅛	86	292,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	....	....	....	....	....
" 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	39¼	July 26,'98	39¾	38⅞	79,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	12	July 27,'98	18	10½	27,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	4⅛	July 26,'98	4⅛	4½	5,000
" 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	99	July 6,'98	99	96	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	103	July 19,'98	103	103	2,000
" convertible 7's	1902	1,167,000	M & N	112½	Dec. 3,'97	....	....	....
" deb. 6's	1908	466,000	M & N	110	July 21,'98	110½	110	12,000
" gen. g. 5's	1987	43,924,000	J & J	112⅛	July 29,'98	112¼	112	63,000
" registered			Q J	110½	July 25,'98	110½	109½	42,000
Lehigh & W.-B. con. assd. 7's	1900	5,500,000	Q M	100¾	July 29,'98	101	100	26,000
" mortgage 5's	1912	2,691,000	M & N	91	July 20,'98	91	91	1,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	115	June 23,'98	....	....	....
N. J. Southern int. gtd 6's	1899	411,000	J & J	104	Nov. 13,'96	....	....	....
Cen. P. Speyer & Co. cfs. ex g. 5's A.	1898	3,210,000	......	102	July 14,'98	102	102	1,000
" B C D	1899		......	103	Feb. 18,'98	....	....	....
" E	1898		J & J	101¾	May 5,'98	....	....	....
" F G H I	1901		......	....	....	....	....	....
" San Joaquin br. g 6's	1900	6,080,000	A & O	102½	June 17,'98	....	....	....
" 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	102	Mar. 19,'98	....	....	....
" 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	104	June 29,'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	102¾	July 30,'98	103¾	101½	130,000
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 6's, g., Series A	1908	2,000,000	A & O	119	July 27,'98	119	119	5,000
" Mortgage gold 6's	1911	2,000,000	A & O	120	July 26,'98	120	119¾	10,000
" 1st con. g. 5's	1939	25,858,000	M & N	114¾	July 29,'98	115	114½	126,000
" registered			M & N	114	Feb. 7,'98	....	....	....
" Gen. m. g. 4½'s	1992	23,722,000	M & S	84⅝	July 30,'98	84¾	83½	1,046,000
" registered			M & S	85	Dec. 30,'98	....	....	....
" (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	108⅛	July 20,'98	108⅛	102	4,000
" 2d con. g. 4's	1989	1,000,000	J & J	90¼	July 29,'98	94	90¼	4,000
" Craig Val. 1st g. 5's	1940	650,000	J & J	95⅛	May 27,'98	....	....	....
" Warm S. Val. 1st g. 5's,	1941	400,000	M & S	98	Dec. 21,'98	....	....	....
" Elz. Lex. & B. S. g. g. 5's,	1902	3,007,000	M & S	103¼	July 28,'98	103¼	102	39,000
Chicago & Alton s'king fund 6's.	1903	1,722,000	J & J	118⅛	Apr. 21,'98	....	....	....
Louisiana & Mo. Riv. 1st 7's	1900	1,785,000	F & A	108	June 15,'98	....	....	....
" 2d 7's	1900	300,000	M & N	107	July 20,'98	107	107	1,000
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	105⅛	Oct. 30,'95	....	....	....
Chicago, Burl. & Quincy con. 7's.	1903	28,924,000	J & J	115⅛	July 30,'98	115⅛	115	85,000
" 5's, sinking fund	1901	2,315,000	A & O	104⅛	July 22,'98	104½	104⅛	17,000
" 5's, debentures	1913	9,000,000	M & N	107½	July 7,'98	107½	107½	8,000
" convertible 5's	1903	15,263,900	M & S	112⅜	July 19,'98	112¾	111	117,000
" (Iowa div.) sink. f'd 5's,	1919	2,818,000	A & O	103	Mar. 12,'97	....	....	....
" 4's	1919	9,050,000	A & O	101⅛	July 22,'98	101⅛	100⅛	9,000
" Denver div. 4's	1922	5,959,000	F & A	99¾	June 17,'98	....	....	....
" 4's	1921	3,200,000	M & S	99	June 15,'98	....	....	....
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	107⅛	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.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
• Nebraska extensi'n 4's	1927	26,110,000	M & N	100¼	July 27,'98	100¼	98½	150,000
• registered			M & N	97	May 9,'98	....	....	....
• Han. & St. Jos. con. 6's	1911	8,000,000	M & S	120½	May 23,'98	....	....	....
Chic. Burl. & Northern, 1st 5's	1926	8,241,000	A & O	110½	July 30,'98	110½	109½	8,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	114½	July 15,'98	114½	114½	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	108	July 29,'98	108	105	21,000
• registered			M & N	106¼	June 7,'98	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	102½	July 29,'98	103	102½	10,000
Chicago, Indianapolis & Louisville.								
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	115½	June 10,'98	....	....	....
Chic. Ind. & Louisv. ref. g. 5's	1947	3,018,000	J & J	90	July 25,'98	90	90	1,000
• refunding g. 6's	1947	4,700,000	J & J	105½	July 29,'98	105½	103	45,000
Chicago, Milwaukee & St. Paul.								
Mil. & St. Paul 1st 7's $ g, R.d.	1902	3,040,000	J&J	142½	May 23,'98	....	....	....
• 1st 7's £	1902		J&J	120	Feb. 8,'94	....	....	....
• 1st m. Iowa & D. 7's	1899	285,000	J & J	145	July 19,'98	145	145	4,000
• 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	July 19,'98	145	143⅛	15,000
• 1st 7's, Iowa & D, ex	1908	3,339,000	J & J	145½	July 21,'98	145½	142½	19,000
• 1st 6's, Southw'n div.	1909	4,000,000	J & J	117½	May 23,'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	118⅜	July 28,'98	118⅜	117⅞	14,000
• 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	128½	July 27,'98	128½	128½	51,000
• 5's	1910	990,000	J & J	109	Oct. 5,'97	....	....	....
• Chic. & Pac. div. 6's	1910	3,000,000	J & J	118½	July 19,'98	....	....	....
• 1st Chic. & P. W. 5's	1921	25,340,000	J & J	116½	July 29,'98	118½	118½	2,000
• Chic. & M. R. div. 5's	1926	3,083,000	J & J	113¾	July 23,'98	116½	115	31,000
• Mineral Point div. 5's	1910	2,840,000	J & J	109½	Apr. 16,'98	113¾	113	6,000
• 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	114	June 8,'98	....	....	....
• terminal 5's	1914	4,748,000	J & J	113	July 18,'98	113	111½	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	114	June 21,'98	....	....	....
• g. m. g. 4's, series A	1989	23,676,000	J & J	106	July 27,'98	106	104	125,000
• 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	120	June 9,'98	...	....	....
Chic. & Northwestern cons. 7's	1915	12,771,000	Q F	142⅜	July 8,'98	142⅜	142⅜	4,000
• coupon gold 7's	1902	10,721,000	J & D	114	July 25,'98	114	113⅝	26,500
• registered d. gold 7's	1902		J & D	114½	July 29,'98	114½	114½	5,000
• sinking fund 6's	1879–1929	5,591,000	A & O	116⅛	July 13,'98	116	116⅛	7,000
• registered			A & O	115	July 13,'98	115	115	5,000
• 5's	1879–1929	7,237,000	A & O	108	July 11,'98	108	108	10,000
• registered			A & O	107½	July 13,'98	107½	107½	1,000
• debenture 5's	1933	9,800,000	M & N	116½	June 29,'98	....	....	....
• registered			M & N	117	Mar. 8,'98	....	....	....
• 25 year deben. 5's	1909	6,000,000	M & N	110	July 18,'98	110	108	2,000
• registered			M & N	109½	Mar. 19,'97	....	....	....
• 30 year deben. 5's	1921	10,000,000	A & O	112	May 11,'98	....	....	....
• registered			A & O	107	Nov. 20,'95	....	....	....
• extension 4's	1886–1926	18,632,000	F A 15	105½	June 24,'98	....	....	....
• registered			F A 15	103	June 10,'96	....	....	....
• gen. g. 3½'s	1987	6,000,000	M & N	102¾	July 27,'98	102¾	102	15,000
• • registered			Q F	....	....	....	....	....
Escanaba & L. Superior 1st 6's	1901	455,000	J & J	107¾	May 26,'98	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Iowa Midland 1st mortg. 8's	1900	1,099,000	A & O	116	July 9,'96	....	....	....
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	135½	July 23,'98	135½	135	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	113½	June 6,'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	133	May 19,'98	....	....	....
• income		500,000	M & N	113	Apr. 27,'96	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,100,000	J & J	129⅞	July 28,'98	129⅞	129⅞	1,000
• 6's registered	1917		J & J	129	July 19,'98	129	128	20,000

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“ debenture 5's	1921	1,950,000	M & S	107⅛	July 22,'98	107⅛	107	5,000
“ registered		....	M & S	....		....	....	....
“ gen. g. 4's	1988	45,000,000	J & J	104¼	July 30,'98	104⅛	103⅛	920,000
“ 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	107	July 11,'98	107	107	1,000
“ small bond	1923	....	A & O	100	Apr. 15,'97	....	....	....
Chic., St.P., Minn.& Oma.con. 6's	1930	18,743,000	J & D	135½	July 28,'98	136⅛	135⅛	8,000
Chic., St. Paul & Minn. 1st 6's	1918	2,670,000	M & N	132	July 7,'98	132	132	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	131	July 26,'98	132	131	5,000
Chic., Term. Trans. R. R. g. 4's	1947	13,000,000	J & J	86	July 29,'98	86⅛	85¼	210,000
Chic. & Wn. Ind. 1st s'k. f'd g. 6's	1919	972,000	M & N	106	Jun 22,'97	....	....	....
“ gen'l mortg. g. 6's	1932	9,868,000	Q M	118¾	July 14,'98	118¾	118¾	2,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	98⅛	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	110	July 15,'98	110	110	3,000
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	......	70	June 10,'98	....	....	....
Clev., Cin., Chic. & St.L. gen.m. 4's	1993	7,574,000	J & D	82	June 29,'98	....	....	....
“ do Cairo div. 1st g. 4's	1939	5,000,000	J & J	88	June 8,'98	....	....	....
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	96¾	July 26,'98	96¾	95	66,000
“ 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	80	June 13,'98	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	90	Apr. 12,'98	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,685,000	Q F	99½	May 26,'98	....	....	....
“ registered				95	Nov. 15,'94	....	....	....
“ con. 6's	1920	731,000	M & N	107½	June 30,'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	77½	July 26,'98	79	77½	41,000
“ income 4's	1990	4,000,000	A	16½	July 20,'98	18¼	16	7,000
Clev., C., C. & Ind. 1st 7's s'k. f'd	1899	3,000,000	M & N	103½	July 28,'98	103½	103½	6,000
“ consol mortg. 7's	1914	3,991,000	J & D	135½	July 26,'98	135½	134	5,000
“ sink. fund 7's	1914		J & D	119⅜	Nov. 19,'89	....	....	....
“ gen. consol 6's	1934	3,205,000	J & J	127¾	May 11,'98	....	....	....
“ registered			J & J	....		....	....	....
Cin., Sp. 1st m. C., C., C. & Ind. 7's	1901	1,000,000	A & O	107⅛	Oct. 16,'97	....	....	....
Clev., Lorain & Wheel'g con. 1st 5's	1933	4,300,000	A & O	103	May 10,'98	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	103	Apr. 14,'97	....	....	....
“ registered			Q J	....		....	....	....
Col. Midld Ry. 1st g. 2-3-4's	1947	6,250,000	J & J	56½	July 27,'98	57	56	85,000
“ 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	......	79	July 30,'98	79½	78	28,000
“ 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	126	July 28,'98	126	126	12,000
Morris & Essex 1st m 7's	1914	5,000,000	M & N	140	July 18,'98	140	140	7,000
“ bonds, 7's	1900	281,000	J & J	109	Nov. 23,'97	....	....	....
“ 7's	1871-1901	4,991,000	A & O	110½	June 3 ,'98	....	....	....
“ 1st c. gtd 7's	1915	12,151,000	J & D	139	June 2,'98	....	....	....
“ registered			J & D	136	June 4,'98	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	136⅝	July 8,'98	136⅝	136⅝	10,000
“ 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. *Price.*	*Date.*	JULY SALES. *High.*	*Low.*	*Total.*
Delaware & Hudson Canal.							
" 1st Penn. Div. c. 7's...1917	5,000,000	M & S	143	May 8,'97	....	....	....
" reg....1917		M & S	143	May 4,'96	....	....	....
Albany & Susq. 1st c. g. 7's....1906	3,000,000	A & O	123½	July 23,'98	123½	123½	1,000
" registered....		A & O	128½	Feb. 12,'94	....	....	....
" 6's....1906	7,000,000	A & O	115	June 21,'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	141	May 6,'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	95⅛	July 29,'98	95⅛	92⅛	254,000
" 1st mortg. g. 7's....1900	6,382,500	M & N	110	July 28,'98	110	108	43,000
" impt. m. g. 5's....1928	8,103,500	J & D	94½	July 26,'98	94½	91¾	48,500
			99¾	June 6,'98	....	....	....
Des Moines Union Ry 1st g. 5's..1917	628,000	M & N					
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	6,734,000	A & O	106	July 27,'98	106	105¾	4,000
" registered....		A & O	101½	July 23,'89	....	....	....
" 2d l m 6s....1916	2,000,000	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	107	June 8,'96	....	....	....
Erie, 1st mortgage ex. 7's....1897	2,482,000	M & S	113	July 26,'98	113	112	15,000
" 2d extended 5's....1919	2,149,000	M & N	117½	June 7,'98	....	....	....
" 3d extended 4½'s....1923	4,618,000	M & S	111½	June 27,'98	....	....	....
" 4th extended 5's....1920	2,926,000	A & O	117	June 28,'98	....	....	....
" 5th extended 4's....1928	709,500	J & D	104½	June 3,'98	....	....	....
" 1st cons gold 7's....1920	16,890,000	M & S	143	July 19,'98	143	143	1,000
" 1st cons. fund c. 7's...1920	3,705,977	M & S	141	June 25,'98	....	....	....
Long Dock consol. 6's....1953	7,500,000	A & O	137	July 7,'98	137	137	10,000
Buffalo, N. Y. & Erie 1st 7's....1916	2,380,000	J & D	133	June 6,'96	....	....	....
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	104¼	June 8,'98	....	....	....
Chicago & Erie 1st gold 5's....1982	12,000,000	M & N	112	July 18,'98	112	111½	2,000
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	July 29,'98	92½	90¼	395,000
" registered....		J&J	....		....	....	....
" gen. lien 3-4s....1996	30,927,000	J&J	73½	July 29,'98	74	72½	239,000
" registered....		J&J	....		....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's..1937	3,750,000	J & J	105	July 25,'98	105	105	1,000
" 2d g. 4½'s....1937	453,000	F & A	92	July 14,'98	92	92	15,000
" gen. g. 5's....1940	2,547,000	F & A	92	July 30,'98	93½	91	201,000
" term. 1st g. 5's....1943	2,000,000	M & N	109⅞	July 25,'98	109⅞	109⅞	1,000
" registered......$5,000 each		M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's..1942	3,000,000	J & D	98	July 21,'98	98¼	98	27,000
Midland R. of N. J. 1st g. 6's...1910	3,500,000	A & O	120	July 8,'98	120	120	2,000
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	114	July 20,'98	114	114	3,000
" 1st General g 5's....1942	2,223,000	A & O	84	July 22,'98	86½	84	11,000
" Mount Vernon 1st 6's...1923	375,000	A & O	110	May 10,'98	....	....	....
" 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	117	July 29,'98	117	114	13,000
" 1st con. gold 5's....1939	2,100,000	M & N	93	July 15,'98	94	93	11,000
" Port Huron d 1st g 5's..1939	3,983,000	A & O	92	July 29,'98	92	90½	20,000
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	....	....	....
Ft. Worth & D. C. ctfs.dep. 1st 6's..1921	8,176,000	......	73¼	July 29,'98	75⅛	73½	424,000
Ft. Worth & Rio Grande 1st g 5's.1928	2,863,000	J & J	61⅝	July 30,'98	61⅞	58⅞	251,000
Galveston H. & H. of 1882 1st 5s..1913	2,000,000	A & O	92	July 27,'98	92	92	15,000
Geo. & Ala. Ry. 1st pref. g. 5's...1945	2,250,000	A & O	88	July 18,'98	88	88	7,000
Ga. Car. & N. Ry. 1st gtd. g. 5's..1927	5,360,000	J & J	92	July 8,'98	92	92	2,000

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Houston E. & W. Tex. 1st g 5's..1933	2,700,000	M & N	93¾	July 29,'98	94	90	166,000
Illinois Central 1st g. 4's 1894 total outstanding $13,950,000							
" 1st g. 4's 1894-1951	1,500,000	J&J	101⅝	Apr. 15,'98	....	....	....
" registered................		J&J	109⅛	July 28,'98	109⅛	109⅛	10,000
" 1st gold 3½'s..........1951	2,499,000	J&J	105	Mar. 16,'98	....	....	....
" registered................		J&J	102⅛	Apr. 15,'98	....	....	....
" 1st g 3s sterl. £500,000..1951	2,500,000	M & S	92½	July 13,'98	....	....	....
" registered................		M & S	....	....	....	....	....
" col. trust 2-10 g. 4's...1904	4,806,000	A & O	102¼	July 29,'98	104	102¼	3,000
" col. tr. 2-10 g. 4's rgst'd....		A & O	103	Apr. 15,'98	....	....	....
" collat. trust gold 4's..1952	15,000,000	M & N	101¾	July 18,'98	101¾	101¼	51,000
" regist'd................		M & N	101	Mar. 19,'98	....	....	....
" col.t.g.4sL.N.O.&Tex.1953	24,679,000	J & J	99	Sept. 29,'97	....	....	....
" registered		J & J	....	....	....	....	....
" West'n Line 1st g. 4's, 1951	5,425,000	F & A	105	July 28,'98	105	105	9,000
" registered................		F & A	....	....	....	....	....
" Louisville div. g. 3½'s.1953	14,320,000	J & J	93⅛	July 29,'98	94⅛	92⅝	18,000
" registered................		J & J	....	....	....	....	....
" St. Louis div. g. 3's....1951	4,939,000	J & J	....	....	....	....	....
" registered................		J & J	....	....	....	....	....
" g. 3½'s 1951	6,821,000	J & J	93⅛	July 29,'98	93⅛	92⅞	22,000
" registered................		J & J	....	....	....	....	....
" 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	....	....	....
" Sp'gfield div 1st g 3½'s, 1951	2,000,000	J & J	....	....	....	....	....
" registered................		J & J	....	....	....	....	....
Chic., St. L. & N. O. gold 5's....1951	16,555,000	J D 15	121⅛	July 8,'98	121⅛	121⅛	8,000
" gold 5's, registered........		J D 15	118¾	Apr. 1,'97	....	....	....
" g. 3½'s...............1951	1,852,000	J D 15	....	....	....	....	....
" registered................		J D 15	....	....	....	....	....
" Memph. div. 1st g. 4's, 1951	3,500,000	J & D	103⅛	Jan. 24,'98	....	....	....
" registered................		J & D	....	....	....	....	....
Belleville & Carodt 1st 6's......1923	485,000	J & D	115	June 22,'98	....	....	....
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	100¼	July 7,'98	100¼	100¼	18,000
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	120	July 22,'98	120	120	4,000
" 2d g. 5's.................1909	6,593,000	M & S	86	July 22,'98	87	86	11,000
" 3d g. 4's.................1921	2,717,500	M & S	58	July 28,'98	58	58	11,010
Iowa Central 1st gold 5's.........1938	6,822,000	J & D	101⅛	July 29,'98	102	101	70,000
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	22,578,000	A & O	72⅝	July 30,'98	74	68⅝	392,000
Kings Co. El. series A. 1st g. 5's..1925	3,177,000	J & J	56	July 30,'98	59	50	98,000
Fulton El. 1st m. g. 5's series A..1929	1,979,000	M & S	49	July 9,'98	49	38	9,000
Lake Erie & Western 1st g. 5's...1937	7,250,000	J & J	116	May 20,'98	....	....	....
" 2d mtge. g. 5's..........1941	2,600,000	J & J	102	July 29,'98	102	100½	18,000
Northern Ohio 1st gtd g 5's... 1945	2,500,000	A & O	102	June 4,'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	1,041,000	A & O	103½	July 7,'98	103½	103½	500
" con. co. 1st 7's.........1900	9,529,000	J&J	109	May 25,'98	....	....	....
" con. 1st registered....1900		Q J	105½	July 19,'98	105½	105½	4,000
" con. co. 2d 7's.........1903	8,986,000	J&J	115¾	June 30,'98	....	....	....
" con. 2d registered....1903		J&J	115¾	June 16,'98	....	....	....
" g 3½s....................1997	27,412,000	J & D	104¼	July 29,'98	104⅝	104	49,000
" " 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	101¼	July 25,'98	102½	101¼	9,000
" registered...................	....	J&J	....	....	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.1941	10,000,000	A & O	112	July 28,'98	112	112	7,000
" 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	....	....	....	....	....

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				Price.	*Date.*	*High.*	*Low.*	*Total.*
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	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	118	July 12,'98	118	118	10,000
Long Island gen. m. 4's	1938	3,000,000	J & D	90	June 23,'98	....	....	....
" 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,'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 J A N	108½	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	33½	June 21,'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	July 25,'98	122	121⅛	2,000
" 2d 6's	1930	1,000,000	J & J	106	July 19,'98	106	106	1,000
" E., Hend. & N. 1st 6's	1919	2,030,000	J & D	113¼	June 29,'98	....	....	....
" general mort. 6's	1930	10,058,000	J & D	118	July 21,'98	118	117	18,000
" 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	105	July 20,'98	105	105	14,000
" So. & N. Ala. si'g fd. 6s,	1910	1,942,000	A & O	92½	Sept. 30,'96	....	....	....
" con. gtd. g. 5's	1936	3,673,000	F & A	100¾	July 18,'98	100¾	100¾	14,000
" gold 5's	1937	1,764,000	M & N	104	July 15,'98	104	103¾	5,000
" Unified gold 4's	1940	14,994,000	J & J	88¾	July 30,'98	88¾	87⅞	220,000
" registered	1940		J & J	83	Feb. 27,'93	....	....	....
" Pen. & At. 1st 6's, g. g,	1921	2,753,000	F & A	105	June 25,'98	....	....	....
" collateral trust g. 5's,	1931	5,129,000	M & N	103	June 8,'98	....	....	....
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	109⅛	July 18,'98	109⅛	109⅛	10,000
" N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	98	July 26,'98	98	95	23,000
Kentucky Cent. g. 4's	1987	6,742,000	J & J	90	July 21,'98	90	90	2,000
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	96⅛	July 29,'98	96⅛	95	133,000
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	116¼	July 16,'98	116¼	116	8,000
" 2d 6's	1899	4,000,000	M & N	102¾	July 19,'98	103¼	102⅛	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	115⅛	July 28,'98	115⅛	113⅞	214,000
B'way & 7th ave. 1st con. g. 5's,	1997	7,650,000	J & D	120	July 22,'98	120	120	8,000
" registered			J & D	112½	May 29,'95	....	....	....
Columb. & 9th ave. 1st gtd g 5's,	1993	3,000,000	M & S	121	July 30,'98	122	120¼	40,000
" registered			M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's,	1993	5,000,000	M & S	120	July 1,'98	120	120	3,000
" registered			M & S	....	....	....	....	....
Mexican Central.								
" con. mtge. 4's	1911	59,011,000	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	76¾	July 30,'98	76¾	75	345,000
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	114¼	Ju'y 22,'98	114¼	113¾	5,000
" 1st con. 5's	1902	2,000,000	M & N	102⅛	May 25,'98	....	....	....
" 6's	1909	1,500,000	M & S	122	Feb. 25,'98	....	....	....
" coup. 5's	1931	3,576,000	M & S	121¼	June 21,'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	135¼	Aug. 4,'97	....	....	....
" 1st con. g. 5's	1934	5,000,000	M & N	106⅞	July 18,'98	107¼	106⅞	9,000
" 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	89¼	July 29,'98	90¼	89⅛	240,000
" 2d mtge. g. 4's	1990	20,000,000	F & A	65¾	July 30,'98	67	63⅝	1,533,500
" 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	84¾	July 29,'98	84¾	82	120,000
" Kan. C. & P. 1st g. 4's	1990	2,500,000	F & A	74½	July 26,'98	75	72	21,000
" Dal. & Waco 1st g. g. 5's	1940	1,340,000	M & N	80	May 13,'98	....	....	....
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	99½	July 28,'98	99½	99	25,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	104⅝	July 30,'98	104⅝	102¼	863,000
" 3d mortgage 7's	1906	3,828,000	M & N	110	July 26,'98	112	110	6,000
" trusts gold 5's	1917	14,376,000	M & S	79½	July 30,'98	80	77¾	215,000
" registered			M & S	....		....	....	....
" 1st collateral gold 5's	1920	7,000,000	F & A	77½	July 30,'98	77⅝	72½	187,000
" registered			F & A	....		....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	104½	July 19,'98	104½	103¾	4,000
" 2d extended g. 5's	1938	2,573,000	F & A	106¼	July 7,'98	106¼	106¼	1,000
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	....	....	....
" 2d. ext g. 5's	1946	6,000,000	M & N	107½	July 28,'98	107½	106½	16,000
" Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	105¼	July 25,'98	105¼	105¼	1,000
" g. con. R.R. & l. gr. 5's	1931	18,274,000	A & O	99½	July 30,'98	100⅛	95¾	1,384,500
" stamped gtd gold 5's	1931	6,945,000	A & O	97	July 9,'98	97	97	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	121¼	July 29,'98	121¼	120	16,000
" 1st entension 6's	1927	974,000	J & D	119	Dec. 6,'97	....	....	....
" gen. g. 4's	1938	9,450,500	Q J	78	July 30,'98	78	77½	81,500
" Montg'ry div. 1st g. 5's	1947	4,000,000	F & A	99⅞	July 22,'98	100	99½	23,000
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	128½	July 28,'98	128½	128½	1,000
" 2d 6's	1901	1,000,000	J & J	105¾	Nov. 9,'97	....	....	....
" 1st cons. g. 5's	1928	6,213,000	A & O	103	July 30,'98	103	102	49,000
" 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	23,186,000	J & J	116½	July 28,'98	116½	115½	31,000
" 1st registered..........1903		J & J	115½	June 29,'98	....	....	....
" debenture 5's..........1904	6,373,000	M & S	110⅞	June 30,'98	....	....	....
" debenture 5's reg..........		M & S	110⅝	July 15,'98	110⅝	110⅝	5,000
" reg. deben. 5's....1889-1904	850,000	M & S	108½	Feb. 21,'98	....	....	....
" debenture g. 4's..... } 1905	8,885,000	J & D	104¼	June 30,'98	....	....	....
" registered........... }		J & D	104¾	Feb. 5,'98	....	....	....
" deb. cert. ext. g. 4's...1905	4,585,500	M & N	104⅝	July 8,'98	104⅝	104⅝	1,000
" registered..................		M & N	104⅝	June 30,'98	....	....	....
" g. mortgage 3½s......1997	23,801,000	J & J	105½	July 28,'98	105½	105⅛	8,000
" " registered......		J & J	104⅞	July 6,'98	104⅞	104⅞	5,000
Michigan Central col. g. 3½s..1998	15,013,000	F & A	95	July 30,'98	95	92¼	974,000
" registered..................		F & A	....		....	....	....
Lake Shore col. g. 3½s..........1998	88,636,000	F & A	96½	July 30,'98	96½	94½	889,000
" registered..................		F & A	94½	July 19,'98	95	94½	20,000
Harlem 1st mortgage 7's c.....1900	12,000,000	M & N	107½	June 13,'98	....	....	....
" 7's registered..........1900		M & N	107⅛	June 3,'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	109	July 29,'98	109⅛	108	525,000
" registered..................		J & J	108¼	July 29,'98	108¾	108¾	99,000
Beech Creek 1st. g. gtd. 4's.....1936	5,000,000	J & J	108½	Nov. 16,'97	....	....	....
" registered		J & J	106	June 17,'98	....	....	....
" 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	95	July 28,'98	95	95	15,000
" 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	123½	July 27,'98	123½	123	8,000
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	123	June 23,'98	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's.1937	19,425,000	A & O	105½	July 22,'98	106	105	88,000
" registered..................		A & O	104	Apr. 21,'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	157½	June 16,'98	....	....	....
" small certifs.............$100	1,430,000	......	153	June 9,'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	113½	July 19,'98	113½	113½	1,000
N.Y., Ontario & W'n con. 1st g. 5's 1939	5,600,000	J & D	106⅝	July 28,'98	106¾	106	87,500
" Refunding 1st g. 4's.....1992	8,375,000	M & S	100½	July 30,'98	100½	99	83,000
" 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	7,261,000	J & J	112½	July 13,'98	112½	112½	2,000
" registered..................		J & J	116	June 4,'98	....	....	....
St. Paul & N. Pacific gen 6's....1923	7,985,000	F & A	124	June 8,'98	....	....	....
" registered certificates....		Q F	127	July 12,'97	127	127	5,000
N. P. Ry prior ln ry.&ld.gt.g.4's..1997	86,104,000	Q J	99⅜	July 30,'98	99¾	97⅝	1,274,500
" registered..................		Q J	93½	May 5,'98	....	....	....
" gen. lien g. 3's..........2047	56,000,000	Q F	64¾	July 30,'98	65¼	62¼	2,555,500
" registered..................		Q F	....		....	....	....
Nor. Pacific Term. Co. 1st g. 6's..1933	3,910,000	J & J	112	July 20,'98	112	110½	5,000
Norfolk & Southern 1st g. 5's....1941	750,000	M & N	102	June 27,'98	....	....	....
Norfolk & Western gen. mtg. 6's.1931	7,283,000	M & N	121½	July 15,'98	121½	121½	1,000
" 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	89	July 9,'98	89	89	10,000
" C. C. & T. 1st g. t. g g 5's 1922	600,000	J & J	101	Feb. 23,'97	....	....	....

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Norfolk & West. Ry 1st con. g. 4s.1996	23,819,100	A & O	83½	July 30,'98	83¼	81¼	596,500
" registered		A & O					
" small bonds		A & O					
Ogdb'g & L. Chapl. 1st con. 6's...1920	3,500,000	A & O	49	Apr. 13,'98			
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	83½	July 27,'98	83½	83	9,000
" gen. mortg. g 4's........1921	1,543,000	M & N	14½	Feb. 11,'98			
" gen. eng. Trust Co. certs...	1,255,000	......	10	June 9,'98			
Omaha & St. Lo. 1st g 4's..........1901	2,376,000	J & J	78½	July 15,'98	80	76	4,000
Oregon Ry. & Nav. 1st s. f. g. 6's..1909	1,605,000	J & J	112¼	July 7,'98	112¼	112¼	10,000
Oregon R. R. & Nav. Co. con. g 4's.1946	18,550,000	J & D	97¼	July 30,'98	97¼	95¾	238,000
Oregon Short Line 1st g. 6's......1922	13,651,000	F & A	127¼	July 28,'98	128	126½	54,000
{ Utah & Northern 1st 7's........1908	4,993,000	J & J	121	June 18,'98			
" 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	105	July 30,'98	105	104	143,000
" non-cum. inc. A 5's.....1946	7,185,000	SEPT.	79¼	July 29,'98	79½	73¼	186,000
" non-cum. inc. B.&col. trust	14,841,000	OCT.	56¼	July 29,'98	57	53	465,000
Pacific Coast Co. 1st g. 5's........1946	4,446,000	J & D	103¼	July 29,'98	104	102⅝	127,000
Panama 1st sink fund g. 4½'s....1917	2,000,000	A & O					
" 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	113¾	July 26,'98	113¾	112	43,000
" reg....................1921		J & J	110	July 8,'98	110	110	3,000
" 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	110½	June 6,'98			
" Series B..............1942	10,000,000	A & O	111	June 28,'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	108	June 6,'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			
" 2d 7's.................1912	2,546,000	J & J	140	May 9,'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	107	May 25,'98			
" gen. gtd. g. 4½'s Ser. A.1942	3,000,000	J & J	113	Apr. 18,'95			
" Series B...............1942	6,699,000	A & O					
G. R. & Ind. Ex. 1st gtd. g 4½ g 1941	4,447,000	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					
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. & 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	100	July 29,'98	100	99	6,000
" Ev. div. Tr. Co. cf1stg. 6's.1920	1,433,000	M & S	96	June 28,'98			
" Tr. Co. ctfs. 2d mort 5's.1926	1,851,000	M & N	18¼	June 2,'98			
" " 1st instal. paid.....	....						
Peoria & Pekin Union 1st 6's....1921	1,500,000	Q F	120	May 11,'98			
" 2d m 4½'s...............1921	1,499,000	M & N	85½	May 25,'98			
Pine Creek Railway 6's..........1932	3,500,000	J & D	137	Nov. 17,'93			

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.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
Pittsburg, Clev. & Toledo 1st 6's	1922	2,400,000	A & O	108⅛	Apr. 5,'98	....	....	....
Pittsburg, Junction 1st 6's	1922	1,440,000	J & J	124	Mar. 12,'98	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A	1928	2,000,000	A & O	112	Mar. 25,'98	....	....	....
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	107½	July 27,'98	107½	106	65,000
" 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	91¼	July 28,'98	94	87	881,000
" Mort. g. 5's	1891-1941	3,500,000	M & N	50	July 30,'98	53	45	89,000
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	83¾	July 30,'98	84¾	81¼	1,428,000
" registered			J & J	....		....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	89	July 29,'98	89¾	87½	214,000
Rio Grande Junc'n 1st gtd. g. 5's	1939	1,850,000	J & D	91	June 16,'98	....	....	....
Rio Grande Southern 1st g. 3-4	1940	4,510,000	J & J	66	June 16,'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	80	July 29,'98	80	78	66,000
St. Louis & San F. 2d 6's, Class A	1906	500,000	M & N	114	July 20,'98	114	114	1,000
" 2d g. 6's, Class B	1906	2,725,000	M & N	113½	July 14,'98	113½	113½	2,000
" 2d g. 6's, Class C	1906	2,400,000	M & N	114	June 24,'98	....	....	....
" 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	July 27,'98	118½	117½	56,000
" gen. g. 5's	1931	12,293,000	J & J	104¾	July 29,'98	104¾	103⅞	122,000
" 1st Trust g. 5's	1987	1,099,000	A & O	100	July 12,'98	100	100	7,000
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	78	July 30,'98	78¼	77½	138,000
" South'n div. 1st g. 5's	1947	1,500,000	A & O	95½	July 29,'98	95½	95	40,000
St. Louis S. W. 1st g. 4's Bd. ctfs.	1989	20,000,000	M & N	78	July 30,'98	78⅛	76	258,000
" 2d g. 4's inc. Bd. ctfs.	1989	8,000,000	J & J	31¼	July 27,'98	32	29¾	478,500
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	106½	July 8,'98	106½	106½	2,000
St. Paul, Minn. & Manito'a 2d 6's	1909	8,000,000	A & O	121¾	July 7,'98	121¾	121¾	25,000
" Dakota ext'n 6's	1910	5,676,000	M & N	122¾	July 29,'98	122¾	121½	28,000
" 1st con. 6's	1933	13,344,000	J & J	130	July 30,'98	130	128½	10,000
" 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	108¼	July 28,'98	108⅝	106¼	81,000
" 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	100	July 28,'98	100	99½	105,000
" 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	127¼	July 8,'98	127½	127	28,000
" 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	....	....	....
" registered			J & J	....		....	....	....
Eastern Minn, 1st d. 1st g. 5's	1908	4,700,000	A & O	110	July 1,'98	110	110	1,000
" registered			A & O	....		....	....	....
Willmar & Sioux Falls 1st g. 5's	1938	3,625,000	J & D	111	June 24,'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	95½	July 30,'98	95½	94	64,000

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.	JULY SALES. High.	JULY SALES. Low.	JULY 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	July 22,'98	105	105	5,000
" Mex. & P. div 1st g 5's	1931	13,418,000	M & N	95¾	July 29,'98	95¾	94	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	111½	July 28,'98	111½	110½	6,000
" con. g 6 s int. gtd	1912	3,455,000	A & O	110	July 1,'98	110	109½	5,000
" gen. g 4's int. gtd	1921	4,297,000	A & O	81	July 29,'98	82½	81	75,000
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	70¼	July 30,'98	70	64½	2,645,000
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	97¼	July 22,'98	97¼	96½	72,000
South'n Pac. of Ariz. 1st 6's	1909–1910	10,000,000	J & J	106½	July 30,'98	106¾	105¾	204,000
South. Pac. of Cal. 1st g 6's	1905-12	30,577,500	A & O	109	July 18,'98	109	109	10,000
" 1st con. gtd. g 5's	1937	19,671,000	M & N	100¾	July 29,'98	101¼	98¼	128,000
Austin & Northw'n 1st g 5's	1941	1,920,000	J & J	81½	July 25,'98	82¼	81½	55,000
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	July 30,'98	108¾	107¼	110,000
Southern Railway 1st con. g 5's	1994	27,859,000	J & J	94½	July 30,'98	95	93	512,000
" registered			J & J	....	....	....	....	....
" Memph. div. 1st g. 4-4½-5's	1996	5,183,000	J & J	103	July 21,'98	103	103	12,000
" registered			J & J	....	....	....	....	....
East Tenn. reorg. lien g 4's	1938	4,500,000	M & S	99	July 22,'98	99	97½	18,000
" 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	105¾	July 22,'98	105¾	105½	123,000
" divisional g 5's	1930	3,106,000	J & J	114	July 8,'98	114	114	10,000
" con. 1st g 5's	1956	12,770,000	M & N	110½	July 26,'98	110½	109	49,000
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	119	July 28,'98	119	119	3,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	115	July 19,'98	116	115	7,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	121½	July 20,'98	121½	121½	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	96	June 3,'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	108	July 21,'98	108	107½	11,000
" gen. 5's. gtd. stamped	1926	2,466,000	M & N	107	June 8,'98	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	87¾	July 29,'98	87¾	87¾	1,000
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	113	May 9,'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 1g 4½'s	1939	7,000,000	A & O	110½	July 8,'98	110½	110½	3,000
" 1st con. g. 5's	1894–1944	4,500,000	F & A	110	July 22,'98	110	109	6,000
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	108	Oct. 27,'98	....	....	....
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	June 21,'98	....	....	....
" 1st gold 5's	2000	21,216,000	J & D	106¼	July 28,'98	106¼	105	229,000
" 2d gold income, 5's	2000	23,227,000	MAR.	43	July 30,'98	44½	40	4,552,000
Third Avenue 1st g 5's	1937	5,000,000	J & J	122½	June 20,'98	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
Toledo & Ohio Cent. 1st g 5's....	1935	3,000,000	J & J	104	July 11,'98	104	104	5,000
" 1st M. g 5's West. div...	1935	2,500,000	A & O	104	July 19,'98	104	103	12,000
" gen. g. 5's....	1935	1,500,000	J & D	....	....	....	....	....
" Kanaw & M. 1st g. g. 4's.	1990	2,340,000	A & O	78	July 21,'98	79	78	3,000
Toledo, Peoria & W. 1st g 4's....	1917	4,900,000	J & D	72	May 10,'98	....	....	....
Tol., St.L.&K.C. Tr. Rec. 1st g 6's.	1916	8,234,000	M & N	88	July 29,'98	88	86	26,000
Ulster & Delaware 1st c. g 5's....	1928	1,852,000	J & D	100	July 23,'98	100	100	11,000
Union Elevated (Chic.) 1st g.5's.	1945	4,212,000	A & O	....	....	....	....	....
Union Pacific R. R. & ld gt g 4s.	1947	90,000,000	J & J	97⅝	July 30,'98	98⅛	96⅝	5,871,500
" registered..........			J & J	....	....	....	....	....
Union Pac. Tr. Co. cts. g. 4½s..	1918	2,000,000	M & N	59	July 27,'98	59¾	48¼	575,000
U.P. Den.&GT.Co.cf.1stc.g.5's.	1939	15,288,000	J & D	73	July 30,'98	73⅛	62¼	8,649,000
Wabash R.R. Co., 1st gold 5's....	1939	31,664,000	M & N	110¼	July 28,'98	110⅞	109¾	154,000
" 2d mortgage gold 5's..	1939	14,000,000	F & A	90⅝	July 30,'98	91⅛	86	326,000
" deben. mtg series A..	1939	3,500,000	J & J	....	....	....	....	....
" series B..............	1939	25,740,000	J & J	28	July 29,'98	28¾	27⅝	577,000
" 1st g.5's Det.& Chi.ex.	1940	3,500,000	J & J	104	July 29,'98	104	102	25,000
St. L., Kan. C. & N. St. Chas. B.								
" 1st 6's..................	1908	1,000,000	A & O	110	June 7,'98	....	....	....
Western N.Y. & Penn. 1st g. 5's..	1937	10,000,000	J & J	108¼	July 28,'98	108¾	107¼	22,000
" gen g. 2-3-4's............	1943	10,000,000	A & O	55	July 26,'98	55	53⅛	59,000
" inc. 5's..................	1943	10,000,000	Nov.	14	July 20,'98	15	14	10,000
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	3,100,000	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	May 26,'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	35	July 25,'98	35	35	15,000
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	......	47	July 30,'98	49¼	41	3,200
" income mortgage 5's...	1937	7,775,000	A & O	5	July 29,'98	6	4	88,000

UNITED STATES GOVERNMENT SECURITIES.

NAME	*Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1898 *High.*	YEAR 1898 *Low.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY 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	111	110½	50,500
" 4's coupon.................	1907		J A J&O	114½	107	111¼	110¾	41,000
" 4's registered..............	1925	162,315,400	Q F	129½	116¾	124	124	10,000
" 4's coupon.................	1925		Q F	129¾	117⅝	128⅛	125	140,000
" 5's registered..............	1904	100,000,000	Q F	115	102¾	....	....	......
" 5's coupon.................	1904		Q F	115	109¾	113¼	112⅝	48,000
" 6's currency..................	1899	14,004,560	J & J	104	102⅞	....	....	......
" 4's reg. cer. ind. (Cherokee)	1899	1,660,000	M A R	....	....	....	....	......
District of Columbia 3-65's...........	1924	14,083,600	F & A	116	115	116	116	1,000
" small bonds.....................			F & A	....	....	....	....	......
" registered......................			F & A	....	....	....	....	......
" funding 5's.................	1899	800,400	J & J	....	....	....	....	......
" " small..................			J & J	....	....	....	....	......
" " registered			J & J	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Butts.—Theophilus Butts, Vice-President of the First National Bank, Hoboken, N. J., died July 26, aged sixty-eight years. He was elected a director of the bank in 1864, and a few years later became Vice-President.

Dimmick.—Hon. M. C. Dimmick, President of the Union Savings Bank and Trust Co., Huntington, West Va., died July 3.

Grannis.—W. C. D. Grannis, formerly prominently identified with banking in Chicago, died August 3.

Green.—Hon. Grant Green, for thirty years Cashier of the Farmers' Bank of Kentucky, Frankfort, and one of the best-known citizens of the State, died July 6. He was born in Henderson county, Ky., in 1826. He began life as a teacher, but soon embarked in politics and successively held a number of State and county offices.

Harris.—John B. Harris, Jr., New York Manager of the Merchants' Bank of Canada, died July 28. He was born in St. John's, N. F., forty-nine years ago. When nineteen years of age he entered the New York branch of the above-named bank as an office boy, being gradually promoted until he became Manager. Mr. Harris was well known in financial circles, and was an authority on all matters relating to banking.

Harris.—Albert W. Harris, Cashier of the American National Bank, Nashville, Tenn., died July 23. He was born at Nashville in 1839. During the Civil War he served in the Confederate Army, winning the rank of major.

Hoover.—Jacob Hoover, President of the Exchange National Bank, Spokane, Wash., which he assisted in organizing in 1889, died July 11. Mr. Hoover was born in Oregon in 1843.

Maclay.—Robert Maclay, President of the Knickerbocker Trust Co., Vice-President of the Bowery Savings Bank and a director of the People's Bank, New York city, died July 28. Mr. Maclay was formerly president of the board of education, New York city, and was a member of many clubs and other organizations. He was born in New York in 1834.

Matteson.—Fred C. Matteson, Cashier of the Sutton (Nebr.) National Bank since its organization, died July 16. He was born at Chautauqua, N. Y., in 1858.

Moore.—W. S. Moore, Cashier of the Second National Bank, Jackson, Tenn., and one of the leading bank men of western Tennessee, died July 19 at Adeline, La.

Naylor.—Jacob Naylor, President of the Eighth National Bank, Philadelphia, died July 10, in his seventy-eighth year.

Paris.—Lincoln Paris, Cashier of the People's National Bank, Sandy Hill, N. Y., died July 12.

Pillsbury.—Geo. A. Pillsbury, President of the Northwestern National Bank, Minneapolis, Minn., and a member of the firm of Pillsbury & Co., and one of the best-known business men of the Northwest, died July 17, aged eighty-two years. He was a man of large wealth, and has made many gifts to charitable associations.

Roosevelt.—James A. Roosevelt, Vice-President of the Chemical National Bank, New York city, and identified with many financial and benevolent corporations, died suddenly July 15 while on the way from the city to his home in the country. Mr. Roosevelt was born in New York in 1825. His father was one of the founders of the Chemical Bank.

Samuels.—W. I. Samuels, President of the People's Bank, Bardstown, Ky., died July 23.

Sanderson.—Ex-State Senator John Sanderson, who was the first President of the Greenfield (Mass.) Savings Bank, died July 12, aged eighty-four years.

Sawyer.—Frederick T. Sawyer, Cashier of the Souhegan National Bank, Milford, N. H., and one of the oldest business men of that place, died July 14, aged eighty years.

Thayer.—Edward C. Thayer, President of the Winchester (N. H.) National Bank, died at his home in Keene, N. H., July 4. He was born at Uxbridge, Mass., in 1830. Mr. Thayer had accumulated considerable wealth in various business enterprises, and was noted for his benevolence.

Yoch.—Benhard Yoch, President of the Southern Illinois National Bank, of East St. Louis, Ill., died at his home in Belleville, Ill., July 17. He was largely interested in coal mining and in manufacturing enterprises.

THE

BANKERS' MAGAZINE.

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SECOND YEAR. SEPTEMBER, 1898. VOLUME LVII, NO. 3.

NEGOTIATIONS FOR PEACE usually consume considerable time, more time than the declaration of war, and it is probable that before a final settlement of all questions between Spain and the United States is arrived at, some months may elapse. At this writing there has been a cessation of actual hostilities, although the army will continue to be kept in readiness.

While this country has been successful in all the encounters with the enemy and has acquired a strong lodgment in three of the Spanish colonies, yet the people of the United States appear to be as anxious for peace as those of Spain. The public has realized that the actual fighting and the men killed and wounded in battle form the least part of the horror of war. It is the death and suffering resulting from the life in extemporized camps, and from the hardships of campaigning in tropical and half-civilized countries, that appal people, as well as the evident lack of system and management that enhance these evils. Although so far successful the people of the United States dread the continuance of a state of things that may increase the losses among our soldiers. They also desire peace in order that business may recover from the depressing influence of a state of war in which the possibilities of disaster and increased expense are always unknown factors.

With Spain the desire for peace is not so much an affair of the people as it is of the Government. The Administration in Spain, representing the present royal dynasty, has to fear the effect of every reverse and disaster on the prestige and continuance of their power. The country is in a revolutionary state, and two factions are seeking to overthrow the royal power, the Republicans and the Carlists. It is probable that the great mass of the Spanish people care little who governs them and expect no improvement from change. The leaders of the factions, however, find it easy to stir up mobs among the more susceptible population of the cities, and thus exert an influence on the Government, which maintains order by its control of the army. As long as the present Administration can keep the army satisfied, it can easily maintain itself; but there is always a source of danger in that some chief of the army may take advantage of his own temporary popularity and the mistakes or misfortunes of the Administration to establish himself as a dictator. It is this last source of danger that causes the Spanish ministers the most trouble in shaping their course in the peace negotiations.

But it seems probable that instead of weakening SAGASTA's ministry the disasters to the Spanish arms will strengthen its power for making peace. Such disasters threatening the life of a nation have a tendency to diminish factional feeling and to unite all parties in support of the one man who appears able to preserve the organization of the national resources. This seems to be true of SAGASTA. Although he has several times expressed a willingness to give up his office to anyone who will take his place, there is no one who desires at this juncture to supersede him; and with this virtual acknowledgment of his leadership as a necessity, there is little danger that the nation will fail to acquiesce in the terms of peace which he agrees to. Naturally he wishes to gain all that is possible for the honor and advantage of his country. He is probably well informed as to the state of the public mind in the United States and knows that many minor matters will be yielded for the sake of an immediate and definitive peace.

When territory is ceded by one country to another there are always a vast number of details to be settled regarding the rights and property of the inhabitants of the ceded territory. There are in Cuba and Porto Rico large numbers of persons who may not choose to renounce their allegiance to Spain. They are entitled to have a definite statement of their rights in the final treaty, of the time they will have to dispose of their property and make their exit from the islands. There is also a large field for discussion as to the public debts of the islands and their divisions. Some of these may be guaranteed by Spain. With the change of sovereignty there may in some of these cases be justice in a demand that the new sovereign shall assume these guarantees.

In fact while the United States at the commencement of the war disclaimed the intention of adding Cuba to her territory, this disclaimer was made under a very serious misapprehension, as now appears, of the state of the island. Spain, naturally anxious to protect the property of Spanish citizens as distinguished from the so-called Cubans, much prefers that the United States should establish a good government than that the island should be left to those who formed the mass of the insurgents. All those who have been on the ground seem to agree that the industrious portion of the population desire to see it annexed to the United States, and a demand to this effect by Spain as a preliminary of peace is one that should be acceded to.

As to Porto Rico there seems to be no question but that this island should at once come under the Government of the United States. It is evident that Spain in all essentials is about to accede to the terms proposed by this country.

With the assurance of peace there is no reason why the last remaining doubts of the future, which have tended to depress business here, should not be dissipated, and that the business community should be enabled to take advantage of the favorable conditions which now prevail in all departments of industry.

THE BANK CURRENCY QUESTION, although held in abeyance by the war excitement, is in a much more advanced position towards a satisfactory settlement than it has been since 1878.

Banking in the United States has been placed in an unfortunate light before the people by being mixed with politics. Whenever other important issues were lacking and the political parties were drifting and with difficulty preserving a definite contrast in their declaration of principles, the treatment of the banks by Congress and by the legislatures of the States has always furnished an issue of the last resort. The outcry against banks is always raised under such circumstances by one or the other of the political parties. It is a social question in disguise, and voices the discontent of that portion of the people who, by the standard of wealth, may be called the lower two-thirds. In more autocratic governments this lower two-thirds have difficulty in making their voices heard; nor are they allowed any power, short of actual revolution, to change the existing conditions. In a democracy they not only can make themselves heard, but through their votes can change the whole face of the political situation.

Banks stand as the representatives of the wealth of the country, and in attacking them and their alleged abuses demagogues and politicians are really covertly attacking the accumulated wealth and property of the country. Under an autocratic government, almost the exclusive way for a man to rise in the social scale is by the accumulation of property. The poor as well as the rich seem to have arrived at the conclusion that this object cannot be attained by attacking the mere framework and machinery by which property is to be obtained. They look upon this machinery as a permanent thing, by which one man as well as another may by proper use attain the end in view. In this country many of the people seem to have lost sight of this fact, and seek to level all to their own inferior condition by destroying the machinery by which alone any one can rise.

Under the teachings of agitators banks seem to be regarded as the cause of differences in the possession of property and social position, and that if the banks are abolished or crippled that all the people would have to descend to the level of the lower two-thirds.

To meet this prejudice the banking interests of the country should have been united. But from the earliest times there has been a rivalry between State and Federal banking, that is between banks chartered by State and banks chartered by Federal law. The respective powers of the States and of the United States under the Constitution are at the bottom of the bank controversies which have afforded so much material for politicians, and have kept the banking machinery of the country under constant suspicion, entirely antagonistic to its suitable development. Before the adoption of the Federal Constitution in 1789, under the confederated colonies, banking had not attained sufficient proportions to attract political attention. There were only three banks in the modern sense in existence before 1789—one in Philadelphia, one in Massachusetts and one in New York. The Constitution was virtually silent on a subject which then attracted no attention. The three existing banks had charters from the States in which they were located.

Immediately after the new Federal Government went into operation, ALEXANDER HAMILTON proposed what he called a National bank, but which took form as the first Bank of the United States. There was some controversy as to the power of Congress under the Constitution to charter such a bank. The real fact was that the Constitution was silent on the point, as it was on a thousand others that have since arisen and will continue to arise in the future in the various exigencies in which the nation may find itself.

This silence of the Constitution was no argument against the constitutionality of a bank chartered by Congress, and the common sense of the nation has accepted this view.

The State banks in existence held as a very important part of their powers the right to use their credit in issuing notes for circulation as money. Without this power it is doubtful whether these banks would have commenced business. As to the right of a State, after the adoption and ratification of the Federal Constitution, to grant the power to a bank to issue bills of credit, there is much more than doubt. The Constitution takes away from the State the power to emit bills of credit or to coin money. Such eminent authorities as DANIEL WEBSTER and Chief Justice CHASE held that these prohibitions virtually made it unconstitutional for a State to charter a bank to do in effect what the State could not do itself. The banks chartered before the adoption of the Constitution could not be interfered with, and they formed the models on which State legislatures afterwards chartered numerous other banks with the power of issuing bills.

The interests of these State institutions and of the Bank of the United States began to clash immediately. The privilege of the latter bank in holding the Federal deposits and doing the Federal business was envied by the State banks, and the latter stirred up the politicians to defeat the re-charter of the first Bank of the United States. The same jealousy, sure to break out on the slightest opportunity, continued all through the history of the second Bank of the United States. Politicians desirous of consolidating their power were always courting the State banks and sought to gain their support by depositing the public money with them, and thus arousing the hostility of the Bank of the United States, which held that it had the legal right to all of these deposits. The law chartering the Federal bank no doubt intended that the bank should do all the fiscal business of the Treasury, but it was not drawn so exclusively that politicians like CRAWFORD could not find loop-holes by which they fed the State banks with the public patronage. State banks were a much more powerful means of wielding political influence than the single national institution. They were each centres through which wires could be pulled in great secrecy. This is a point which seems to have been overlooked by all the historians of the controversy which led to the downfall of the second Bank of the United States, and yet an examination of the records of the Treasury from 1816 to 1829 will show that there was great friction between the State banks and the Federal bank before JACKSON began his famous attack on the latter.

The fact was that the State banks could be influenced for political purposes by the judicious distribution of deposits. The Federal bank could not, because it regarded the Federal deposits as its own perquisite by chartered right, and it naturally favored the Federalist party, which was less inclined to curtail its deposits by using the State banks as depositories.

JACKSON at first attempted to use the Federal bank as a political engine, and failing in this turned to the State banks, which were willing enough to be used. In 1832, four years before the charter of the Bank of the United States expired, JACKSON removed the Federal deposits and gave them to the State banks.

If there had been no other argument against the policy of the charter of banks by the several States with power to issue bills than the construction put on the provisions of the Constitution prohibiting the States from issuing bills of credit and coining money, by WEBSTER, CHASE and others, the experience of the public and the Treasury with these institutions as early as 1812, and more especially during the period from 1836 to 1846, would be sufficient. The losses of the Treasury through State banks were so great and notorious that new and protracted efforts to charter a Federal bank were made under TYLER's Administration. The prejudice aroused by political devices against a Federal bank were too great, however, and as a desperate remedy the independent Treasury system was devised and went into operation in 1846. After that date the Treasury became measurably secure from loss by these institutions, which removed from politics and confining themselves to legitimate business were gradually becoming more and more stable and reliable. They were, however, still lacking in homogeneity. As organized in the older States they served the public well, but in the newer States the old losses to the public from fraudulent business practices and imperfect legal control continued. The bills issued varied in value according to the character of the bank, and the public suffered by the cost of the exchange necessary to balance these inequalities as well as from the actual frauds which the various systems gave the opportunity to perpetrate.

When the Civil War broke out in 1861 the State banks were stronger than ever, and it was in the face of their determined opposition that the National banking system was inaugurated in 1863. This system would have been an utter failure had the State banks been permitted to retain the privilege of issuing their notes. This right was not directly attacked, but in 1864 it was rendered unprofitable by the imposition of a heavy tax. Most of the State banks in existence at that period entered the National system.

The State banks of to-day are chiefly new creations which have grown up with the increase of the deposit and loan business. Except in a minority of instances they have never exercised the power of issuing notes. The State banking systems in nearly all the States have been brought up to a very high standard, and these institutions generally compare most favorably with the National banks.

The National banks found circulation profitable until about the year 1878, when the rapid funding of the national debt increased the premium on the bonds. At this date, too, the silver certificates, issued as the standard silver dollars were coined, began to take the place of National bank notes, and have since done much to prevent expansion of the bank currency at periods when the price of bonds has been so depressed as to otherwise make the issue of such currency profitable.

As the State banks have again increased in numbers, the old rivalry between them and the Federal banks goes on, though in a more subdued way.

In all these controversies the National bank is held out as the dangerous monopoly, the interests of which are opposed to those of the people, while the State banks are hidden from view in the obscurity of the laws under which they exist. No one ever hears nowadays of any bank question in State politics. State banks are chartered and act under laws that pass without any especial debate, or at least after debate in which none of the usual claptrap about the abuses perpetrated by banks is heard. Bank questions in the State legislatures are generally treated as purely business questions and politicians do not there seek to ride into power on them. This is because the question of issuing bills does not come up in relation to State banks. When State banks issued bills every State legislature was as sensitive and as easily aroused to fury on bank questions as Congress has been for some years back.

Popularly, then, the prejudice against banks to-day seems to apply altogether to their supposed power to create money by issuing bank notes. Nobody is aroused or excited when the question of a bank's receiving deposits or loaning money is under consideration. There is thought to be an occult and malign power in the right to issue bills that seems to draw all the hatred of the population towards the banks that possess it. It is a power that should only be possessed by the Government or sovereign, is a remark frequently heard. People do not see that the power of simply issuing a bill of credit is inherent in anyone who can write one, that is if anyone will take it. Government does not in any true sense grant the power, it simply controls it in a negative manner.

There is no danger to the public in an individual demand note, because it will not circulate as money. Banks are institutions that, rightfully or wrongfully, have so far secured the confidence of the public that, if they issue demand notes, the public with a blind trust in the word "bank" will take them as money. The Government therefore steps in and says, no man or set of men shall conjure with the word "bank" to deceive anybody, and therefore that anything calling itself a bank must not issue demand notes unless it conforms to certain laws insuring safety to the public. The bank issuing demand notes must satisfy the Government that they will be paid in actual money when money is demanded.

But this idea and the other ideas which show that bank paper money is in the long run the best and most profitable to the public, can only take possession of the public mind through a process of education.

Just as the public mind is to-day virtually convinced that banks are good for the people when they receive deposits and make loans, so the public mind must be disabused of its prejudices and political traditions againt bank notes and be convinced that the issue of these notes is as necessary an adjunct of business and prosperity as the taking of deposits and making loans.

The work of education has already proceeded far. The Monetary Conference and its Commission have made a deep impression on the public mind. The falsification of all the prophesies of the silver shouters made during the campaign of 1896, by the growing prosperity of the two years which have elapsed since that time, is an object lesson which will continue to gain force. The excitement of the war has drawn the minds of politicians to issues more full of interest than the financial question. With a period before the meeting of the next Congress for reflection, it is not beyond hope that when the banking bill comes before Congress it will go through without being made a political issue as readily as any other bill of acknowleged economic merit.

THE NEW THREE PER CENT. BONDS are quoted at about 104. It was predicted when the loan was offered that these securities would easily command more than par, but of course this prediction was based on the existing credit of the Government, on a virtual peace basis and was liable to be falsified by any serious disaster either to the army or the navy. It is of course the part of wisdom in issuing a war loan to consider what effect possible disaster would have on the loan.

The real feebleness of Spain had not then been fully realized. The invasion of Cuba at Santiago was directed by an unforeseen chance. Who would have ventured the prediction that CERVERA'S fleet, which started with the apparent design of terrorizing the Atlantic coast of the United States, would have come to the lame and impotent conclusion of running into Santiago harbor for shelter, and discovered in time would be ingloriously bottled up there.

The terror inspired by this fleet of four supposed first class modern war ships was real, and in the ignorance of what such ships could accomplish against cities full of wealth and population, was fully warranted.

It is plain enough that if CERVERA could have kept the sea, avoiding our ships by his supposed superior speed, and have made a mystery of his whereabouts as he did at first, dashing from time to time on unprotected points and levying such tribute as he could, that he would have postponed any invasion of Cuba or Porto Rico for a long time and would have given the impression abroad that Spain was baffling her big antagonist.

Of course this danger was mostly passed at the time the loan was placed on the market. But there was still a chance that he might escape from Santiago and resume his mysterious cruising. This was undoubtedly his purpose when he entered the harbor. He hoped to get in there unobserved and in the absence of any special blockade to escape unperceived after he had refitted. When he found himself blockaded and an army landed to take Santiago, there was still a chance that the defeat of this army might open a way for his escape. As it turned out the attempt when made by him was premature and his defeat by the navy retrieved the check which the army had received.

But apart from this, who after Cuba had been invaded by an army of fifteen thousand men, could have anticipated that the Spaniards, reputed to have an army of at least one hundred thousand regular troops in the island, would have made no more effort to repel the invaders? No one had a right to count on such utter impotence and apparent imbecillity as that exhibited by the Spanish leaders, when it was of the utmost importance to them to gain even a temporary advantage. If they had massed even half of their reputed force against any invasion like that of SHAFTER'S they would have made the advance of the invading army a very perilous operation. Who could have foretold that on the first appearance of a force from the United States, Spanish troops in superior numbers would at once retreat to their fortifications and wait like rats in a hole to be hunted out?

The explanation of BLANCO'S inertia and listlessness is perhaps that he had no information of what was going on in the United States or that he overrated the force that might be brought against him. Perhaps he felt sure that Havana was the real object of attack and that all other demonstrations were only feints. However great the reserve force of this country, it was unprepared to exert it and the Spaniards had it in their power, if properly led, to have inflicted some blows that might at first have seriously injured American prestige.

Even the Indians have inflicted more severe blows on our regular army than were received from the Spaniards. The whole power of Great Britain could not prevent the triumph of the Zulus, or the whole power of the United States the defeat and slaughter of CUSTER'S force by Sitting Bull.

While such a triumph by the forces of Spain would in the end have been as useless as the victory of Sitting Bull, it would have protracted the campaign, and placed Spain in a better condition to claim an honorable peace. With audacious and intelligent leaders the Spanish forces in Cuba might easily have made it very difficult to have effected a permanent lodgment on the island.

The Spanish soldiers appear to be devoted and to possess a passive courage which under active leaders might be utilized for more brilliant achievements than to help starve the inhabitants of Cuban cities by pretending to defend them.

In placing the war loan the possibility both of disaster and of a tedious protraction of the struggle had to be calculated upon. If it had not been for DEWEY'S victory over the Spanish fleet in Manila and SAMPSON'S over CERVERA, it might have been difficult to place the loan at par. This can be almost proved by the course of prices of the other outstanding bonds of the United States. At the commencement of the war these prices sympathized with the feeling of doubt and apprehension as to the nature of the task that had been undertaken. As the real weakness of Spain was by degrees revealed, and the incompetence and lack of initiative on the part of the Spanish leaders became more and more evident, the sensitive nerve of capital recovered its natural tone, and the bonds rose to their usual quotations.

THE STAMP TAX ON BILLS OF EXCHANGE, foreign and domestic, has been construed in favor of the bankers of the United States as distinguished from foreign bankers having offices here. The decision has been made by the Commissioner of Internal Revenue under advice of the Attorney-General, that bank checks drawn in this country on a foreign bank or banker, payable at sight or on demand, are subject to the same stamp tax as bank checks drawn in this country on a domestic bank.

Canadian and foreign bankers doing business in the United States after the passage of the revenue law assumed that demand exchange drawn on banks out of the United States and payable out of the United States was not covered by the law, either as applied to checks or to foreign bills of exchange, and so sold such exchange without stamping it at all.

The domestic banks, however, although drawing demand checks on their foreign correspondents, were compelled by a decision of the Commissioner of Internal Revenue to stamp such checks as foreign bills of exchange. The distinction between foreign bills of exchange, which are taxed at the rate of four cents for each one hundred dollars, and these demand checks, is that foreign bills requiring this greater tax have an element of time or credit which a simple demand check does not. The real bills of exchange are not drawn against money actually on deposit, but against money potentially to be deposited before the bill matures from the proceeds of shipments of goods or products; in the meantime they bear interest, and their value rests temporarily on the acceptance or credit of the parties to whom the goods are consigned as well as on the credit of the drawers. Demand foreign exchange is precisely the same as a domestic check in all essentials, unless it takes the form of real bills of exchange by being drawn in sets.

The home bankers, being compelled to pay tax on their checks drawn on money on deposit abroad as if their checks were real bills of exchange, were placed at a disadvantage in competition with foreign bankers who at their offices here drew precisely the same kind of checks, but were not until this decision of the Attorney-General required to put any stamp on them at all.

The National City Bank, of New York, referred the question to Washington and procured the decision.

The effect is not only to relieve the home bankers from paying the heavier foreign exchange tax on single checks, but it has brought the foreign bankers having offices here under a rule uniform with the domestic bankers. Now all pay alike on drafts abroad, whether these drafts are simply checks or real bills of exchange.

As every one knows the stamp tax on these instruments does not put any burden on the banker, inasmuch as it is in reality paid by the customer. But when a distinction was made by the Commissioner of Internal Revenue which left foreign bankers free to supply checks to their customers on which the latter escaped paying any tax while the domestic bankers subjected their customers to the charge for stamps, the home bankers began at once to lose this kind of business and it would soon have all been in the hands of Canadian and foreign bankers. It could not for a moment be supposed, when attention was directed to this discrimination, that Congress would intentionally have made a law which placed foreign banks in a more favorable position than home institutions. The confusion seems to have arisen in failing to properly define the distinction between checks and real bills of exchange. This being definitely settled for the purposes of taxation there is no room for discrimination in applying the tax.

If the foreign bankers had been permitted to draw against their balances abroad without affixing stamps, the difference to the Treasury would have been very important, as the amounts so drawn are large.

Probably there are other points in the war revenue bill which may require the attention of the next Congress in order to cure the indefiniteness which is the result of its hasty passage.

THE SILVER QUESTION has received illumination from the experience of the invading army in Cuba and Porto Rico. Silver is the standard of value in these colonies of Spain, although the traders there seem to be fully alive to the difference in the value of silver coins circulating on their own merits and silver coins like those of the

United States, which are sustained by the maintenance of the gold standard.

When American silver dollars were first offered in Santiago, they were refused when offered at any greater value than Spanish or Mexican coins of a corresponding denomination. But a distinction was soon made and the same thing happened that happens in Mexico; the American silver dollar, although containing less silver than the Spanish and Mexican dollars, became exchangeable for two or more of the latter. Thus any one can see by ocular demonstration what the standard silver dollar, would be worth if the United States should cut loose from the gold standard. Like the Spanish and Mexican dollars, they would buy only the same quantity of goods that could be purchased by fifty cents in gold.

A tradesman in Santiago, who had taken in quite a sum in silver certificates, was told that this form of United States money was redeemable in silver, and this discovery filled him with alarm. He had been taking the bills on a gold basis and selling his goods in that belief. But on going to his banker he was at once relieved when told that all the money of the United States was on a gold basis and that each dollar, whatever of the numerous varieties of currency it might represent, was as good as any other kind of dollar and that all were equal to gold.

There might have been a different tale to tell, had Messrs. BRYAN and Company succeeded in mystifying the American people in 1896.

Spain, too, is ostensibly on the gold standard; but while she has both gold and silver money and paper as well, she has not been successful in keeping her silver money on a par with gold money. Each circulates in the colonies and at home on its own merits, and the shopkeepers appear to have a different scale of prices suited to each kind of money.

When Cuba and Porto Rico come under the rule of the United States, the currency of this country will by degrees be introduced. But already there have been warnings from Porto Rico against a too sudden introduction of laws and regulations which may make no distinction between contracts and debts made under the Spanish *regime* and require them all to be paid in United States money. This might double the burden of debt if equity were not used in the introduction of a novel even if a better currency. Questions of this kind require time to adjust, but perhaps will not prove of any great difficulty in either Cuba or Porto Rico. All debts contracted prior to a certain date to be fixed by law can be adjusted according to the circumstances governing the currency when the contract was made, and all contracts subsequent to that date are to be presumed to be based on United States standards.

OUR FUTURE REVENUE POLICY.

One effect of the war with Spain will be to render the revenue from customs of less importance than that from the internal taxes. For the week ending August 6 the revenue from customs was $3,778,811 and that from internal taxes, $6,589,678. For the corresponding week in 1897 the receipts from customs amounted to $1,543,774 and from internal revenue, $2,932,068.

The year 1897 does not afford a good comparison of the respective receipts from customs, as the revenue from this source was then in the transition state owing to changes in the tariff law. The same week in 1896, when customs were collected under the Wilson Law, the receipts from that source amounted to $3,031,302 and the internal revenues to $2,994,239.

The customs duties under the Dingley Law have now therefore increased to a point a little in excess of those under the Wilson Law, although they should no doubt still continue to increase to conclusively show the superiority of the Dingley Law as a revenue measure.

Owing to the depression of business existing for some time after the crisis of 1893 and the spirit of economy prevailing, the imports of the United States have been far below the normal for the past two or three years, but with the return of prosperity they should increase with more or less rapidity. Probably this increase would have occurred if no change had been made in the tariff laws, and to pass with justice on the relative merits of the new as compared with the old law is a matter for the future. However this may be, the increase of revenue from internal taxes will no doubt make a great change in future tariff legislation. While the customs remain about the same as in 1896, the internal revenue has increased nearly three times.

It is constantly asserted that the motive which has actuated the policy of depending mainly on customs for the necessary Government revenues has been a desire to protect home manufactures and industries; but while this reason has been used politically, it is probable that the real reason has been that legislators for one thing desire to see the revenues large and yet are afraid to impose taxes which will seem to be a burden on the people. Internal taxes as a rule attract more attention than customs duties and give to political opponents more opportunity for carping criticism.

The attempt to impose an income tax under the Wilson Bill caused a serious outcry at once. Even customs duties which seem to press directly on the articles most used by the people, are open to the same objection; witness the opposition to taxing tea and coffee.

The favorite taxes with legislators who have due regard for political effect are those which seem to rest on the wealthier classes in the nation. In time of peace, when there is no motive to offset the inertia of the producers of the country who steadily resist all attempts to reduce their earnings by taxation, it is very difficult to impose new taxes that will not create dissatisfaction in some quarters serious enough to mar many political fortunes. Old taxes are borne more quietly because of habit. Thus there was very little popular opposition to tariff modifications in the usual line. The United States must have an adequate revenue, and such revenue has generally been raised from taxing imports. There is a flavor in this of getting our spending money out of foreigners rather than out of our own people. The arguments in favor of protection encourage and foster this idea. The ease with which internal revenue is collected on liquors and tobacco is due to the fact that these are luxuries, as most foreign imports are popularly supposed to be.

For a long time a large portion of the manufactures and industry which formerly cried the loudest for protection have become so strong as to no longer require it. They have grown to such an extent that the home market, great as it is, no longer suffices them, and for some years they have been successfully seeking an entrance into the wider world markets.

The low prices caused by the panic of 1893, and the previous great excess of home products as compared with home markets, known popularly as overproduction, have given an immense impetus to the introduction of American goods into all quarters of the globe. The quality of these goods and manufactures compares most favorably, as a general rule, with the same class of foreign manufactures, and this serves to increase their distribution.

The intelligence and ingenuity of the people of the United States can, as soon as the necessary information as to the requirements of foreign markets is obtained, compete successfully with the people of any other nation.

As this process of exploiting the world's markets goes on, and with the changed conditions incident to the increase of our national territory, it may be found that the fewer and simpler the provisions of the tariff are made, the more profitable will be the commerce with the outside world. Should this process go on and the free list be more and more extended, the tariff as a source of revenue will tend to be less effective. Of course a perfectly protective duty produces no revenue, for the reason that it would entirely prohibit imports of products grown or manufactured here. Customs laws producing revenue are necessarily to some greater or less extent protective, unless imposed on things which are not produced here. Even when duties are collected on articles not produced here, they enhance the price which the foreign trader has to pay for the goods he receives in exchange.

A nation that imposed no customs duties at all—other things, industry, ingenuity, natural resources and enterprise being the same—would always have the advantage in foreign trade over a nation imposing customs duties even in the way least liable to criticism. But all civilized nations with which the United States comes into competition are more or less compelled for the sake of revenue to impose customs duties. Some, like France, are hampered by a public debt disproportionate to her population and resources. All to a greater or less extent are compelled to keep up standing armaments which make the raising of revenue to meet expenses a problem recurring one year after another. Great Britain is in better condition than any other foreign nation of equal rank, because she has pursued the policy of attracting exchanges with outside producers in all parts of the world, as far as the necessities of her revenue requirements, measured by the demands of her ordinary expenditures and the interest on her public debt, would permit. By judicious internal taxes she has lightened her customs duties as far as possible. This policy, now that American manufacturers are beginning to realize the possibilities of foreign markets, is one that will probably be fostered by our laws in the future. The United States is in far better condition to reap all the advantages of a foreign trade than Great Britain is to-day.

It is customary to assert, whenever anything tending to freer trade is proposed, that this is what England wants, so that she can seize on our home markets. While our resources were undeveloped, and our manufactures were in an inchoate state, there was no doubt truth in this argument. Every stage of development of a nation has its own revenue policy, which should be suited to the existing circumstances. And now, when the enterprise of the country is evidently reaching out beyond its own borders, when it hails the acquisition of foreign territory as an outlet, a different policy may be advisable.

This desire to acquire foreign territory, while a sign of the eagerness for the expansion of our trade, is not, if carried to too great an extent, any advantage to that extension. Great Britain is to-day hampered to some extent by her colonies. If these colonies were free and independent nations, unhampered by the bond of imperialism, then simply from a trader's standpoint Great Britain would reap the full benefit of having established colonies of English-speaking peoples with Anglo-Saxon laws and habits. To-day these colonies bar her out with tariffs and often discriminate against her goods.

The argument against freer trade weakens as the enterprise of the United States opens up foreign markets, for as she does this she becomes the most dangerous rival of Great Britain. In the first place the United States could to-day raise all the revenue it requires from internal taxes, and could virtually abolish customs duties, thus placing herself in the position of a nation where all foreign producers could offer their goods in exchange to the best advantage. This would in time enable the United States to control the markets of the world. To her would be offered first all products from every clime. She could give more and better goods in exchange for them than any other nation could afford to do.

In fact, looking the whole world over, there is not another important nation that could do without customs duties and maintain her revenues as easily as the United States, and it is probable that any other nation would become bankrupt if it made the attempt. But of course there is no necessity or object in going as far as this. The tendency in this direction has, however, been manifest for some time. It should be fostered with wisdom and caution.

The war with Spain has given legislation a chance to increase the internal revenue without arousing the opposition which, without the stimulus of patriotism, would have surely made itself manifest.

The rate of revenue received during the week ending August 6, if continued during the year, represents an annual national income of half a billion dollars. With the increase of prosperity it is probable that both internal and external sources of revenue under the present law will expand, and it is probable that the total revenue for the year will exceed six hundred milllions of dollars. The expenditure will tend to diminish with the coming of peace, and there will then be a new question as to what taxes should be reduced. The foreign territory acquired and the settlement of its administration will be a cover under which many opinions as to the tariff will be easily modified. The policy to be kept in view should be the widest possible expansion of our exchanges with the markets of the world, and taxes should be modified with this policy always in view.

B. G. W.

FOREIGN BANKING AND FINANCE.

Financial Conditions in Spain.

An intelligent review of the debt with which the Spanish Government has been saddled by the three years' war in Cuba and the recent conflict with the United States, is made by the London "Economist" of July 30.

It appears that up to that date Spain had added to her debt, since the beginning of the Cuban insurrection in February, 1895, first, about $145,000,000 (at their face value) in Cuban bonds guaranteed by the Spanish Treasury and entirely employed to make advances to the Cuban Treasury or to serve as a guarantee for the advances of the Bank of Spain to the Cuban Treasury; second, $160,000,000 of bonds issued in Spain and guaranteed by the revenues of the Spanish customs, and by some extraordinary taxes also collected by the customs, and this issue, too, has been entirely devoted to the Cuban war expenditure; third, $45,000,000 of *delegaciones*, a species of privileged bonds, guaranteed by the proceeds of the tobacco, stamp, and other State monopolies during the financial year 1898–'99, and which the Bank of Spain consented to accept as a guarantee for some of its advances for the war; fourth, $200,000,000 (face value) of interior four per cent. bonds, which were specially created under the authorizations voted by the Cortes in their last session, and which only produced about $70,000,000 net to guarantee more advances of the Bank of Spain, and to complete older guarantees of previous advances that had been much reduced by the fall in the quotations of Cuba bonds and Spanish customs bonds.

These issues of stock and Treasury bonds, amounting in all to $550,000,000, do not represent the full amount of the cost of the colonial and foreign wars. It is admitted that more than $75,000,000 are due in Cuba, to the army and navy, the civil servants, and contractors of every kind, who have been suffering arrears ranging between six and nine months. And it is the same in Porto Rico and the Philippines. In the latter colony part of the expenditure caused by the insurrection of the natives, before the war with the United States, had been covered by an issue of $40,000,000 of Philippine six per cent. redeemable bonds guaranteed by the colonial customs and by the Imperial Treasury. But nobody in Spain at the present moment can form an exact estimate of the total amount expended in the Philippines any more than in the West Indies. Regarding the condition of the Bank of Spain and the manner in which its resources have been strained for the protection of the Treasury, the "Economist" says:

"The Bank has been endeavoring of late to strengthen its cash reserves. It has in hand £10,212,905 in gold, £5,337,905 in silver, and in addition, £7,078,935 in the hands of its foreign correspondents which could be turned into gold. Its note issue, which has been steadily rising for a long time past, now amounts to £55,277,257. By its charter the Bank is bound to keep in cash, half in gold, half in silver, the equivalent of a third of its note issue, so it is yet within the conditions fixed for an issue not exceeding £60,000,000. Under the law voted in May last the Bank may issue notes up to £80,000,000 by increasing the proportion of cash in hand, half gold, half silver, to half the value of the notes issued between

£60,000,000 and £80,000,000. If the issue went over £80,000,000 the cash in hand would have to be equal to two-thirds of the notes above that figure. But unfortunately the new bank law includes an authorization for the Government, if the extraordinary character of the circumstances makes it necessary, and as long as such circumstances last, to reduce the reserves prescribed by those laws. Some idea of the services rendered by the Bank to the Government can be formed from official statistics recently published in the Madrid press, which show that the Bank has advanced £30,706,274 effective to the Cuban and Imperial Treasuries under deposit as a guarantee of Cuban bonds, customs bonds, '*delegaciones*' on State revenue, and four per cent. interior stock. And, further, it holds £13,688,200 of five per cent. Treasury bonds. It is not surprising, therefore, that the governor and board of directors are credited with having recommended the Minister of Finance to seek assistance if possible in other quarters, and have intimated that they will begin to place their Treasury bonds among their clients. The Bank has succeeded in disposing in two weeks of £1,650,000 of five per cent. Treasury bonds."

The entire debt of Spain which has been funded amounts to 7,032,352,000 pesetas and requires annual interest payments of 348,509,697 pesetas, the equivalent of $67,000,000 if the pesetas were at gold parity. These interest charges would be increased to 546,732,617 pesetas if the proposed consolidation of the floating debt were to take place. The monetary situation was so bad, prior to the peace protocol, that the issue of small paper notes for two and five pesetas (40 cents and $1) was under serious discussion by the Bank of Spain. The preparation of the notes would require some time and their issue would require the consent of the Cortes. In view of the favorable fall of exchange since the peace protocol it is probable that silver will return into circulation and that the Bank will not be pressed for the exchange of its notes for the white metal.

Savings Banks in France.

The complete official reports of the operations of the French Savings banks for the year 1896 were published in the "*Bulletin de Statistique*" for July.

The French Savings banks are divided into two classes—the private banks, which have been in operation for many years and carried deposits at the close of 1896 amounting to 3,382,355,533 francs ($650,000,000), and the National or postal Savings banks, established in 1882, which held deposits at the close of 1896 amounting to 784,950,207 francs ($155,000,000).

The number of private Savings banks early in 1896 was 545, of which eighty-five were in the chief towns of the departments, 254 in the chief towns of the *arrondissements*, 190 in the chief towns of the cantons, and sixteen in communes. The number of accounts existing in these various banks on January 1, 1896, was 6,497,557 and the amount due depositors was 3,395,983,413 francs. The receipts during the year from depositors in 3,240,535 separate deposits were 696,947,302 francs ($135,000,000). The withdrawals, exclusive of the reduction of accounts for the purchase of securities, numbered 2,667,124 and amounted to 807,964,076 francs. Other items enter into the account, so that the balance due upon 6,633,447 accounts at the close of 1896 was 3,382,355,533 francs. The amount diverted from the ordinary deposits to the purchase of securities during 1896, under laws requiring such purchases when the deposits exceeded 1,500 francs, was 2,152,701 francs.

An interesting feature of the reports is the classification of the deposits and reimbursements, and of the accounts remaining open at the close of 1896. Deposits from twenty-one to 100 francs ($4 to $20) were the most numerous, numbering 1,068,517 out of a total of 3,240,535, but the amount of such deposits was only 69,056,678 francs out of a total of 696,947,302 francs. The average of these deposits was 64.63 francs. The largest class in amount was the deposits from 501 to 1,000 francs ($100 to $200), where the number of deposits was 242,851, and the amount was 189,830,530 francs. The average of these deposits was 781.68 francs. The class from 201 to 500 francs included 503,876 deposits amounting to 181,739,457 francs. The smallest deposits ranked second in number, representing 840,031 transactions for 7,862,276 francs. The withdrawals followed a scale not very different from the deposits, except that 105,655 accounts were withdrawn in amounts above 1,500 francs and to the amount of 194,860,915 francs.

The state of the accounts on December 31, 1896, perhaps presents features of the greatest permanent interest and is shown in the following table:

RANGE OF ACCOUNTS IN FRANCS.	*Number of accounts.*	*Amount in francs.*	*Average in francs.*
20 francs and under	2,041,555	18,473,964	9.05
21 to 100	1,101,605	56,952,887	51.70
101 to 200	528,012	74,862,121	141.78
201 to 500	746,816	244,456,180	327.33
501 to 1,000	696,865	496,707,568	712.77
1,001 to 1,500	545,334	665,593,212	1,220.53
1,501 to 2,000	474,518	788,720,969	1,662.89
2,000 and over, subject to reduction by law	494,518	1,016,238,906	2,055.01
2,000 and over, exempt from reduction by law	4,437	20,349,720	4,586.37
Total	6,633,447	3,382,355,533	509.89

Turning to the National Savings banks, it appears that there were 2,803,412 deposits during 1896 amounting to 355,274,278 and 1,375,703 withdrawals amounting to 342,522,859 francs. The difference between these two figures —12,751,419 francs—does not cover the entire increase in the amount due depositors at the close of 1896, because it does not include interest and some other items. The growth of the national system has been rapid, and represents a considerably lower average for each depositor than the system of private Savings banks. The following table shows the growth of the system for representative years:

YEAR.	*Number of accounts.*	*Amount due December 31.*	*Average of each account.*
		Francs.	Francs.
1882	211,580	47,601,688	24.97
1885	692,582	154,155,572	222.59
1888	1,129,964	266,788,602	236.08
1890	1,504,688	413,439,048	274.76
1891	1,733,764	506,379,981	292.05
1892	1,973,693	616,363,426	312.28
1893	2,089,492	610,793,930	292.31
1894	2,280,061	690,844,460	302.99
1895	2,488,075	753,458,588	302.82
1896	2,682,906	784,950,207	292.57

Banking Progress in Mexico. The Mexican banking system is getting upon a firm foundation and affords a reasonable degree of elasticity since the reforms of 1897. The National Bank does not appear to have suffered by the limitation of its monopoly involved in the creation of banks of issue in the various States, and the latter are being conducted in a conservative and efficient manner. The National Bank enjoyed for some years prior to 1897 a nearly complete monopoly of the issue of notes, but did not afford sufficient credit facilities to the country. The question was earnestly discussed in the spring of 1897 whether the few special charters granted to other banks should be revoked and complete monopoly established or whether liberty of banking should be created. It was felt on the one hand that monopoly was contrary to the spirit of the Mexican constitution, but that absolute freedom of banking would be an economic error. The action taken by the law of March 18, 1897, granted partial liberty by authorizing a single bank of issue in each State or territory of the republic under special privileges to be granted to the first applicants. The privileges consisted in exemption from the payment of imposts by the Federal Government, the States or the communes, and exemption from many of the stamp taxes. Existing banks were given the privilege of making the first application for charters under this law.

The progress of the National Bank of Mexico has been rapid within the last few years. The volume of commercial discounts at the end of 1884 was only 5,310,402 piastres. This amount had grown at the close of 1888 to 10,357,670 piastres and at the close of 1891 to 18,363,341 piastres. There was a relaxation of activity during the next four years, which left the discounts of 1895 substantially the same as those of 1891, but the close of 1896 showed a portfolio of 22,711,138 piastres, and the close of 1897, 30,297,004 piastres. The circulation of the National Bank at the close of 1897 was 23,129,675 piastres, and its current deposit accounts were 26,769,593 piastres. The cash reserve was 20,746,252 piastres. The annual meeting of the Bank, which took place on May 12, 1898, accorded a dividend of fourteen per cent. upon the capital and set aside 1,000,000 piastres for the increase of the capital of 8,000,000 piastres. The success of the local banks is thus referred to in "*L'Economiste Européen*" of July 16 last:

"The application of the new law is still too recent to permit a definitive judgment upon the value of the economic reform accomplished. If, however, a glance is cast over the accounts of the old banks of issue in Mexico, it is noted that the operations effected by these establishments have always been of a nature to inspire complete confidence. In 1897 the average discounts of these banks were fourteen and a half per cent. larger than the cash reserve and the circulation exceeded the reserve only forty-two per cent. These proportions indicate absolute solidity. The establishments founded under the new law have at their head men of commercial prudence, which one does not know how to praise too highly when applied to a country like Mexico which is only at the threshold of its industrial development. The new law regarding banks, received with favor by the financial world, has not resulted, as some persons seemed to fear that it would, in the creation of an exaggerated number of establishments of credit. It may even be said that there are still several rich sections which are not yet endowed with establishments of this sort, where a large field of action might be found."

The Economic Crisis in Chili.

The financial situation in Chili has been serious during the past summer. A dispatch from Santiago on July 7 announced a run upon the banks for the redemption of their notes and that the banks had been closed by the authority of the Government from the 7th to the 12th. Later dispatches announced the grant of authority to the President to issue 20,000,000 piastres ($7,000,000) in gold Treasury bonds at eight per cent. and a *moratorium* of thirty days for the banks. The Government has adhered to the purpose of maintaining the gold standard which went into operation in the summer of 1895, even at some expense to the Treasury. News of the crisis has been received with regret in Europe, because Chili enjoyed for a long time a high credit and compared strikingly with many other South American Governments.

While the present difficulties are attributed by the bimetallists in some degree to the adoption of the gold standard, several other influences have been more potent in invoking a crisis. The most important of these in its immediate effects was the fear that the frontier dispute with the Argentine Republic would result in war between the two countries. While pacific utterances were made by both Governments, Chili began to arm and her expenditure for war purposes is estimated at an average of $5,000,000 for the past six years. As the entire receipts of the Treasury are only about $28,000,000 per year, it is obvious how heavy a charge has been imposed by military preparations. When sudden panic was added to this source of drain, confidence broke down.

The suspension of gold payments by the banks is not an indictment of a banking currency as it is understood in most countries. The banks are independent to some degree, but are authorized to issue notes to a total amount of 24,000,000 piastres against deposits of gold or approved securities in the Treasury. The Government then engages to redeem the notes in gold, and no such obligation seems to be imposed directly upon the banks. The immediate cause of the anxiety in July appears to have been the fear that the Government would suspend the redemption of notes and sequestrate the gold held for their redemption rather than that the banks would cease to make good the redemptions when actually made.

The export of nitrates from Chili has been depressed during the last few years and this has at once created an unfavorable balance abroad and affected the national revenues, which are derived largely from export charges. The Civil War of a few years ago diminished both the resources and the credit of the country, and the combination of these causes has made it difficult to maintain the policy so courageously entered upon in 1895, of maintaining the gold standard and the parity of all forms of paper money with the standard.

The Bank of Italy. The annual report of the Bank of Italy for 1897 shows a considerable improvement in the liquid assets of the Bank over previous conditions. The general operations of the Bank fell off slightly in amount, but the number of commercial bills discounted was increased. The number of these bills in 1897 was 1,222,546, amounting to 1,124,699,930 lire ($220,000,000), as compared with 1,216,109 bills for 1,169,932,752 lire in 1896. The average value of the bills discounted in 1897 was 919 lire ($180). The Treasury bonds and securities discounted were 2,471,923 lire. In spite of the reduction of the interest charge upon the advances made by the Bank in April, 1897, the amount of these advances during the year was only 65,108,686 lire ($13,000,000) as compared with 73,404,302 lire in 1896. The average circulation of notes on account of the Bank was 751,748,840 lire and bills on account of the Treasury, 14,416,666 lire, making a total of 766,165,506 lire ($152,000,000). The ordinary circulation under the law of August 10, 1893, attained an average of

600,501,223 lire, leaving 165,664,283 lire required to be covered entirely by the metallic reserve. This reserve against the entire volume of notes increased from 40.10 per cent. in 1896 to 50.79 per cent. in 1897. The legal requirement is forty per cent. The credits of the Bank abroad at the end of 1896 were 48,680,518 lire, and had increased at the end of 1897 to 97,544,304 lire ($19,000,000). The business of 1897, after the deduction of 8,000,000 lire for special reserves and after the charging off of a certain proportion of overdue paper, afforded a net profit of 6,124,724 lire as compared with 5,727,775 lire in 1896. After the deduction of certain statutory charges 5,400,000 lire was devoted to a dividend of eighteen lire per share and 456,488 lire carried to the new account.

The Bank of Italy has been charged with the settlement of the locked-up assets of several large institutions, but succeeded in 1897 in transferring a portion of these assets, amounting to about 75,000,000 lire, to several mortgage banks in Rome and Naples. The real estate securities on hand in 1894 were 449,419,374 lire ($88,000,000). This amount was reduced on December 31, 1897, to 297,479,514 lire ($59,000,000). The Bank is required to set aside annually until 1908 6,000,000 lire on account of the real estate securities of the *Crédit Foncier* and the Roman Bank, and to set aside 2,000,000 lire annually for the settlement of the commercial operations of the Roman Bank. Both these requirements were complied with in 1897, as indicated above, and there is every reason to believe that the liquidation of such obligations will be completed within the time fixed by law.

The Conversion by the Credit Foncier.

One of the most striking indications of the decline in the interest rate in Europe is the conversion of its securities which has just been decided upon by the *Crédit Foncier* of France, one of the oldest and largest of the great land mortgage banks of the Continent. It was determined at a meeting of the Council of Administration on July 5 to call in the three per cent. bonds of 1885 and to substitute new obligations grading down to an interest of 2.6 per cent. within three years. The obligations called in will be reimbursed in full to any holder who desires, but those who did not file the request for such reimbursement before July 25 will be treated as desiring to retain their bonds at the new rates of interest. They will be allowed to retain the bonds with the same numbers and the same chances of drawing premiums as if no conversion had taken place, but the annual interest will be reduced from October 1, 1898, to 2.8 per cent. until October 1, 1901, when the rate will be further reduced to 2.6 per cent. This reduction of interest only follows the course pursued by the *Crédit Foncier* on previous occasions and twice during 1897, when obligations issued at three per cent. in 1879 and at 3.20 per cent. in 1892 were reduced to 2.6 per cent. These obligations are now quoted at par. The bonds of the *Crédit Foncier* are held by two classes of persons—those who are themselves borrowers from the association and those who are simply investors. The former class will profit in the long run by the reduction of the cost of conducting the business, while the latter class, according to the opinion of M. Jules Michel, in "*L'Economiste Européen*" of July 8, will accept the reduction proposed rather than seek new investments.

M. Michel declares that they "ought to understand that, since it is with their money that mortgage loans are made and the rate of these loans has a constant downward tendency, they ought to submit to the reductions of interest which are becoming more and more general in commerce, industry and finance." The proof of this is found in "the fact that all corporations which have bonded debts are proceeding to conversions and the cities themselves are under the necessity of going with the current." The reduction of interest offered in 1897 was accepted by substantially all the bond holders rather than accept the redemption of their bonds and be left without safe investments.

Negotiable Wealth of Belgium.

A detailed inquiry into the growth of the wealth of Belgium in the form of negotiable securities has been undertaken by M. de Laveleye, the editor of the "*Moniteur des Intérêts Matériels.*"

The estimate of negotiable securities held in Belgium made by M. Neymarck for 1895 was 6,193,419,000 francs ($1,200,000,000). The figures obtained by M. de Laveleye, give the actual market value on January 1, 1898, at 7,130,383,354, and on July 1, 1898, at 7,562,032,187 francs. The number of securities quoted increased during the half-year from 742 to 796. The increase in value, which amounted to 431,649,000 francs ($85,000,000) during the half-year, was due to the introduction of new securities to the amount of 189,599,000 francs, the increase of capital of existing societies to the amount of 56,454,000 francs, and the increase in value of existing securities to the amount of 185,596,000 francs.

The principal classes of securities quoted on the Belgian exchanges in July were Government, provincial and city funds, 3,496,899,797 francs; private issues paying a fixed revenue, 1,044,064,780 francs; banks, insurance companies and land companies, 574,837,499 francs; railways and canals, 348,874,250 francs; steel and iron foundries, 381,248,377 francs; coal companies, 387,126,450 francs; zinc, lead and other mines, 208,237,650 francs; glass industries, 63,720,000 francs; gas and electric lighting, 68,614,363 francs, and textile industries, 35,728,000 francs. The largest increase from January to July was 62,700,000 francs in iron and steel foundries and furnaces. There was an increase of 25,694,000 francs in the quoted values of railway and canal stock and 26,900,000 francs in the securities of coal companies.

The Australian Bank Returns.

The returns of the condition of the Australian banks for 1897 and for the quarter ending March 31, 1898, have been completed. They show a dull state of trade and a considerable decrease during the first quarter of 1898 in loans and advances. The totals for the seven colonies, showing the returns at the close of 1897 and the first quarter of 1898, are as follows:

	March 31, 1898.	*Dec. 31, 1897.*	*Increase or decrease.*
Deposits	£98,139,170	£97,220,733	£918,437 Inc.
Advances	109,442,458	111,245,201	1,802,743 Dec.
Notes in circulation	4,113,874	4,069,885	43,489 Inc.
Coin and bullion	22,919,389	23,254,161	335,772 Dec.

The deposits are classified by the London "Economist" at about £39,000,000 in active balances on current account, about £46,000,000 in ordinary fixed deposits, and about £13,000,000 in deferred fixed deposits. The latter are the results of the readjustment of the affairs of the banks which were compelled to suspend in 1893. There exists in Australia a considerable amount of idle money, seeking safe investments, but apprehensions appear to be felt with regard to legislation hostile to property, and there has been recently a series of bad seasons. In addition to deposits, the colonial liabilities of the banks include their net indebtedness on notes and bills in circulation, amounting to nearly £3,500,000. The total liabilities of the banks within the colonies may, therefore, be placed at about £101,500,000. On the other side of the account there are advances £109,500,000, and coin and bullion £23,000,000; making together, £132,500,000. But a great deal of British deposit money is represented in these assets. The colonial quarterly returns are necessarily only fragmentary, not including the liabilities and assets of the banks in London, or the business in course of operation between the colonies and other countries.

The Gold Reserves of Russia.

The sources of the immense supply of gold piled up in the Russian Treasury and the Imperial Bank are set forth in some detail in the "*Bulletin Russe de Statistique*" for June, and are of special interest in this country.

The total increase in the stock of gold in the country for the eleven years ending with 1897 is computed at 3,013,049,084 francs ($600,000,000). The excess of imports alone during these eleven years was 1,678,114,395 francs ($330,000,000), of which 1,302,142,995 francs was in foreign gold coins and 375,971,400 francs in bullion.

An interesting statement is presented, showing the character of the coins imported from foreign countries and held in the reserve of the Imperial Bank. The United States stands at the head of the list with an amount equal to 366,377,407 francs ($70,693,473); England comes next with 253,219,595 francs (£10,039,811); Germany contributes 135,348,463 francs (109,632,255 marks); France, Belgium and Switzerland, 71,219,410 francs; Spain, 25,085,124 pesetas; Chili, 8,834,600 francs (176,692 condors); Japan, 8,567,074 francs (3,316,320 yen); Italy, 4,130,035 lire; and Austria, 2,749,085 francs (1,308,920 florins). The reserve of the Bank contains 877,703,655 francs ($170,000,000) in foreign coin alone and has increased since 1895 431,909,572 francs ($85,000,000).

The amount of United States coins held on January 1, 1895, was reported at 114,619,748 francs ($22,000,000), so that Russia has absorbed at least $48,000,000 of American gold within three and a half years.

The increase in the gold stock not covered by the net imports is due to the domestic production. The gold coinage executed in Russia within the last few years has been 262,200,000 roubles ($132,000,000).

The Gold Drain in Austria-Hungary.

The failure of the crops and the political conflict between Austria and Hungary are causing some anxiety in the Empire regarding the maintenance of the gold standard. A letter from Vienna, printed in "*L'Economiste Français*" of July 23, declared that there was fear, not without reason, of the reappearance of the premium upon gold a little higher than the rate fixed in 1892 for the conversion of the old currency. The Government is already seeking gold in foreign markets for the service of the public debt and the same course is being pursued by the railway and industrial societies which are compelled to pay interest in gold. The immediate alarm passed away with the passage of the danger of armed conflict, but there is still doubt and discussion regarding the effect of the law establishing the gold standard. The provision that public accounts shall be expressed in crowns, the new gold unit, instead of the old florins, takes effect on January 1, 1899, and the new method of computation will probably be largely followed by private individuals and corporations. A discussion has arisen regarding the pledge of the Government to pay certain old obligations in specie, whether they must be paid in gold or may be paid in silver. Some of the legal advisers of the Government have declared that payment may be made in silver so long as it circulates freely, but in any case silver currency can only be employed to the amount of 250 crowns ($50). Special gold contracts will be executed according to the terms of the contract.

Banking and Financial Notes.

—A division of territory appears to be taking place in China between the Russian and French financiers, as a part of the political alliance between the two countries. The absorption of the branch of the *Comptoir d'Escompte* at Shanghai by the Russo-Chinese Bank caused the disappearance in 1895 of the only French financial establishment in China. It now appears that, in consequence of negotiations between M. Cochery, the late Minister of Finance, and M. Rothstein, one of the directors of the Russo-Chinese Bank, an understanding has been arrived at to the effect that the latter Bank shall limit its activity to the north of Shanghai, and the French Indo-Chinese Bank to the south of that place. As a result of this *entente* the *Banque de l'Indo-Chine* will immediately establish an agency at Shanghai, develop its branch at Hong Kong, and call into existence other offices at the most important points of the South of China. Amongst other requests the Indo-Chinese Bank demands from the French Government the authorization for introducing modifications in its statutes which will permit of extending its operations in China.

—The discount rate at the Bank of England was reduced on June 30 from three to two and a half per cent. A reduction just before the end of a quarter, when large sums are usually called for, is unusual, but market rates for money had been declining and there was no reason for maintaining a three per cent. rate. There was some expectation of a further reduction early in July, but some exports of gold to the Continent and the hardening of discount rates led the directors to adhere to the rate fixed on June 30.

—The use of checks for payments in France makes but slow progress, notwithstanding the extension of the business of the great deposit banks, with branches in all the towns of importance. The number of checks drawn in France in 1880 was 4,396,930, as shown by the stamps on the blank forms. In 1896, after an interval of sixteen years, it had only reached 7,017,575, or a little over one check for six of the population. Small payments continue to be made principally in cash. The very limited use made of checks has been attributed to the stamp duty, but it is probably rather due to the mistrust of the people in banks that are not State institutions. C. A. C.

MODERN BANKING METHODS.

A NEW SERIES ON PRACTICAL BANKING—HELPFUL POINTS DERIVED FROM EXPERIENCE.

ORGANIZING A COUNTRY BANK.

There was no doubt that Centre City needed a new bank. The matter had been well talked over among the active business and financial men. The town had grown so rapidly since the B. & P. Railroad had passed through it, and had erected their repair shops there, and the manufacturing and milling interests had so largely increased, that the banks already there were unable to give the necessary accommodation. The city had grown far beyond its old limits, so that its centre of business, where the old stores and banks were located, had changed, and this was another argument brought forward in favor of the new bank. It was decided to hold a meeting of many of the leading men of the town at the office of Lawyer Billings to discuss the situation, and take the proper preliminary steps for organization.

Determining the Form of Organization.

The first question that naturally arose was, "Shall the bank be organized under the State or National banking laws; in other words, should it be a State bank or National bank?" Lawyer Billings took from his shelves copies of both the State and the National banking laws. A careful examination of these showed that while there was much similarity in the powers granted by both, it was evident that the restrictions as to the general management of banks where more rigid in the National Banking Law than in those of the State. Then, it was argued, the deposit of bonds with the United States Government as security gave the people greater confidence.

It was also shown that in the thirty-five years since the original passage of the National Banking Act only about 360 National banks had failed, an average of about ten a year, and that dividends had been paid in winding up the affairs of these banks of an average of about seventy-five per cent. This showing was considered very favorable, and as there was already one State bank and two private bankers in the town, it was decided that the bank should be a National bank.

Fixing the Amount of Capital Stock.

The next point to be decided upon was the amount of capital stock. An examination of the National Banking Law showed that in towns with a population not exceeding 6,000 a bank was entitled to a capital of $50,000, and where the population was over 6,000 and under 50,000 they were allowed $100,000, and where the population was over 50,000 they were allowed a capital of $200,000 or more. As the population of Centre City was about 32,000, the question was, should the capital be $50,000 or $100,000. The smaller capital would not necessitate the earning of so much to pay dividends; but, on the other side, the town was growing and manufacturing enterprises were being established to such a degree that it was evident that Centre City was destined to become a manufacturing town of some importance.

Manufacturing interests often required considerable accommodation, and as the National Banking Act limited the loaning power of a National bank to any one individual or corporation upon his or its own paper to ten per cent. of the capital stock, the capital of $50,000 would hardly be ample. It was therefore decided, after much discussion, that the capital should be $100,000.

Choosing a Name for the Bank.

The next question that naturally arose was the selection of a name, and after much discussion the name of "The Merchants' National Bank" was selected.

Securing Subscriptions to the Stock.

These preliminaries having been settled, the next thing was to secure subscribers for the stock. The general feeling was that it should be a live bank, and that it would be wise to distribute the stock, as far as could reasonably be done, among the many varied interests in the town and surrounding country.

A committee was therefore appointed to attend to this matter, and the meeting adjourned to meet at the same time and place in one week. A letter stating the wishes of those at the meeting, and asking for instructions, was in the mean time to be drawn up by Lawyer Billings, and when signed by five of those present, and endorsed by Congressman Browning, was to be sent to the Comptroller of the Currency at Washington, D. C.

The week had passed and the adjourned meeting was being held. Lawyer Billings had received from the Comptroller a pamphlet containing full instructions, also blanks for the "Articles of Association" and the "Organization Certificate."

As the first meeting had been informal, more for a free discussion of the matter, and as matters now seemed to be taking some tangible shape, it was thought best to select a chairman and secretary, and have full minutes taken and recorded.

The committee reported the whole stock subscribed for. As two of the subscribers, for ten shares each, were married women, the question naturally arose regarding their legal status in the organization.

A reference to the National Banking Law under Section 5,133 showed that those who unite to organize a National bank must be "natural" persons, that is individuals who have the right, under the State laws, to hold property in their own names. As the laws in some States do not grant this right to married women, it was thought best to follow the instructions of the Comptroller and have the stock for the two women taken at first in the name of their husbands until after the organization was perfected, when it could be transferred to them.

On reading the "Articles of Association" it was seen that, while important, they were merely a statement of what the organization, when perfected, proposed to do. The "Organization Certificate," however, was of an entirely different character, being a legal document executed in due form, signed by the subscribers to the stock or at least five of them, giving their address, and sworn to before a notary public, or court of record, and in reality an acknowledgment of the completion of the organization. The importance of this document could be easily seen, for without it no bank would have the right to transact business. The forms for the "Articles of Association" and the "Organization Certificate" were as follows:

Form of Articles of Association.

For the purpose of organizing an association to carry on the business of banking, under the laws of the United States, the undersigned, subscribers for the stock of the association hereinafter named, do enter into the following articles of association:

First. The name and title of this association shall be "The _______ ____ _______."

Second. The place where its banking house or office shall be located and its operations of discount and deposit carried on, and its general business conducted shall be __________.

Third. The board of directors shall consist of shareholders. The first meeting of the shareholders for the election of directors shall be held at ________, on the ________, or at such other place and time as a majority of the undersigned shareholders may direct.

Fourth. The regular annual meetings of the shareholders for the election of directors shall be held at the banking house of this association on the second Tuesday of January of each yea but if no election shall be held on that day it may be held on any other day, according to the provisions of Section 5149 of the Revised Statutes; and all elections shall be held according to such regulations as may be prescribed by the board of directors, not inconsistent with the aforesaid provisions of the said Section 5149 of the Revised Statutes.

Fifth. The capital stock of this association shall be _______ thousand dollars, to be divided into shares of one hundred dollars each; but the capital may be increased, according to the provisions of Section 5142 of the Revised Statutes, to any sum not exceeding ________ thousand dollars; and in case of the increase of the capital of the association, each shareholder shall have the privilege of subscribing for such number of shares of the proposed increase of the capital stock as he may be entitled to according to the number of shares owned by him before the stock is increased.

Sixth. The board of directors, a majority of whom shall be a quorum to do business, shall elect one of their number to be President of this association, who shall hold his office (unless he shall be disqualified, or be sooner removed by a two-thirds vote of all the members of the board) for the term for which he was elected a director: and they shall have power to elect a Vice-President, who shall also be a member of the board of directors, and who shall be authorized, in the absence or inability of the President from any cause, to perform all acts and duties pertaining to the office of President except such as the President only is authorized by law to perform, and to elect or appoint a Cashier, and such other officers and clerks as may be required to transact the business of the association; to fix the salaries to be paid to them, and continue them in office, or to dismiss them, as, in the opinion of a majority of the board, the interests of the association may demand.

They shall also have power to define the duties of the officers and clerks of the association, to require bonds from them, and to fix the penalty thereof; to regulate the manner in which elections of directors shall be held, and to appoint judges of the elections; to provide for an increase of the capital of the association, and to regulate the manner in which such increase shall be made, and, generally, to do and perform all the acts that it may be legal for a board of directors to do under the Revised Statutes aforesaid; and they shall also have the power to make all by-laws that it may be proper and convenient for them to make, not inconsistent with law, for the general regulation of the business of the association, and the management and administration of its affairs.

Seventh. This association shall continue for the period of twenty years from the date of the execution of its organization certificate, unless sooner placed in voluntary liquidation by the act of its shareholders owning at least two-thirds of its stock, or otherwise dissolved by authority of law.

Eighth. These articles of association may be changed or amended at any time, by shareholders owning a majority of the stock of the association, in any manner not inconsistent with law; and the board of directors, or any three shareholders, may call a meeting of the shareholders for this or any other purpose, not inconsistent with law, by publishing notice thereof for thirty days in a newspaper published in the town, city or county where the bank is located, or by notifying the shareholders in writing.

In witness whereof, we have hereunto set our hands, this ______ day of __________, eighteen hundred and ninety- ___.

__________ __________
__________ __________
__________ __________

I certify that the articles of association of the __________ __________ were executed in duplicate, and that one of the instruments so executed is the foregoing; and that the other, in all respects like the foregoing, is on file with said bank.

__________ __________,
Cashier or President.

__________ ___, 189___.

Form of Organization Certificate.

We, the undersigned, whose names are specified in article fourth of this certificate, having associated ourselves for the purpose of organizing an association for carrying on the business of banking, under the laws of the United States, do make and execute the following organization certificate:

First. The name of the association shall be the __________ __________.

Second. The said association shall be located in the __________ of __________, county of __________ and State of __________, where its operations of discount and deposits are to be carried on.

Third. The capital stock of this association shall be __________ dollars ($________), and the same shall be divided into __________ shares of one hundred dollars each.

Fourth. The name and residence of each of the shareholders of this association, with the number of shares held by each, are as follows:

NAME.	*Residence.*	*No. of shares.*

Fifth. This certificate is made in order that we may avail ourselves of the advantages of the aforesaid laws of the United States.

In witness whereof we have hereunto set our hands this ______ day of ________, 189 .

________ ________.

________ ________.

(The signature in full of every shareholder must be appended to this certificate.)

STATE OF ________,

County of ________, *ss:*

On this, the ______ day of ________, A. D. 189___, before me, a ________ of ________, personally came ________ ________, to me well known, who severally acknowledged that they executed the foregoing certificate for the purposes therein mentioned.

________ ________.

Witness my hand and seal of office the day and year aforesaid.

[SEAL OF NOTARY OR COURT.]

The committee had exercised good judgment in selecting stockholders, recognizing the fact that from among the stockholders were to be selected the directors, and they had sought to have representative men from various lines of business, and men of high standing.

The people will measure the standing of a bank very much by the men known to have the direction of its affairs; for that reason only the very best men, and those of the most careful business methods, should be selected.

The two documents above mentioned were now filled out and signed *in duplicate*, according to the instructions sent by the Comptroller of the Currency, one copy to be retained in the bank and the other to be sent to the Comptroller, care being taken that the same men signed both documents.

A meeting of the subscribers was now called for the following evening at the office of Lawyer Billings for the election of a board of directors.

CHOOSING THE DIRECTORS.

The National Banking Law requires that every bank shall have at least five directors. There are few more responsible positions than that of a bank director. To be able to carefully direct the affairs of a bank holding in its vault the funds of so many people is no light task, yet how few really seem to recognize it, and are willing to take the oath prescribed, and in reality give little attention to their duties.

No man who is so situated that he cannot give the necessary attention to the duties should accept the position. Upon the directors devolves the responsibility of loaning the money and they should remember that these funds are not theirs but are held in trust, and they are bound to return them when called for.

At the meeting a large percentage of the stockholders were present, and it was easy to see that some were, or had been, canvassing for the position of director. It seems difficult for some to separate banking from politics, yet the two seldom work together successfully. Seven directors were elected, care being taken to select those who were citizens of the United States, and residents of the State, according to the provisions of the National Banking Law.

Under the National Banking Law, every director must take an oath showing that he is justly entitled to fill the office and that he will faithfully perform the duties.

The following are the prescribed forms :

FORM OF DIRECTOR'S OATH.

STATE OF ___ ___,

County of ___, *ss:*

I, the undersigned, director of the ___ ___, of ___ of the State of ___, do solemnly swear that I am a citizen of the United States, and resident of the State of ___, and that I will, so far as the duty devolves on me, diligently and honestly administer the affairs of said bank; and that I will not knowingly violate, or willingly permit to be violated, any of the provisions of the Revised Statutes of the United States under which this bank has been organized; and that I am the *bona fide* owner, in my own right, of the number of shares of stock subscribed by me or standing in my name on the books of the said bank, and required by said Revised Statutes; and that the same is not hypothecated, or in any way pledged as security for any loan or debt.

___ ___.

Subscribed and sworn to this ___ day of ___, 189 __, before the undersigned, a ___ ___ of said county.

___ ___.

FORM OF JOINT OATH.

STATE OF ___.

County of ___, *ss:*

We, the undersignd directors of the ___ ___, of ___, of the State of ___, do each of us solemnly swear that we are citizens of the United States, and residents of the State of ___, and that we will severally, so far as the duty devolves upon us, diligently and honestly administer the affairs of said bank: and that we will not knowingly violate, or willingly permit to be violated, any of the provisions of the Revised Statutes of the United States under which this bank has been organized; and that each of us is the *bona fide* owner, in his own right, of the number of shares of stock subscribed by him, or standing in his name on the books of the said bank, and required by said Revised Statutes; and that the same is not hypothecated, or in any way pledged as security for any loan or debt,

___ ___.
___ ___.

Subscribed and sworn to this ___ day of ___, 189___, before the undersigned, a ___ ___ of said county.

___ ___.

Every director, when elected, must at once take the oath in one or the other of the above forms, and transmit the same immediately to the Comptroller of the Currency.—(Sec. 5,147, Revised Statutes.)

The President was directed to send the oath of the directors to the Comptroller of the Currency as provided in Section 5,147 of the U. S. Revised Statutes.

They at once appointed the following evening for a meeting for organization and taking the oath, at which Lawyer Billings agreed to present a draft of the by-laws.

The directors were Lawyer Billings, Mr. Brown, cotton manufacturer, Mr. Pease, wholesale grocer, Mr. Simpson, real estate dealer, Mr. Smith, druggist, Mr. Jones, iron manufacturer, and Mr. Wilson, general manager of the new railroad.

The meeting was held, all took the oath, and the organization was effected by the election of Mr. Pease as President. Mr. Pease having formerly been for many years a director of one of the other banks, seemed well fitted for the position. A Vice-President was also elected and Mr. Wilson was honored with that position.

The by-laws were presented and read by Lawyer Billings, and were passed with few changes. It was now decided that the first payment of fifty per cent. of the capital stock should be collected and the President was directed to attend to it until the election of a Cashier.

Many applications had been presented from young ambitious bankers in Centre City and elsewhere for the position of Cashier, but the board felt that the importance of the position was such as to require special enquiry into the standing, character and ability of several of the applicants before deciding.

The $50,000 had finally been collected by the President, and deposited by him in one of the other banks. But some finding it inconvenient to give checks or currency for the fifty per cent. of their stock, desired time, and offered their notes. These were, however, positively refused, as it was shown that the law contemplated the payment for all stock in money.

No bank could with safety begin business upon the promises to pay of its stockholders. The principle was wrong and should not be considered.

Issue of Circulating Notes.

The question now came before the board, should the bank issue circulation or not? A reference to the National Banking Law showed that it was obligatory to deposit bonds with the United States Treasury for at least one-fourth of the capital. These bonds were sold in the market at a premium, the price being 110. The bank would be entitled to the interest on the bonds, three and one-half per cent., but would be deprived of the use of ten per cent. of the par value of the bonds. It would be obliged to keep five per cent. of the amount of its circulation in the hands of the Treasurer of the United States for the expenses of redemption, of which it would also be deprived of the use. The annual tax on the circulation would be one per cent. If they took out no circulation they would be obliged to deposit at least $25,000 in bonds, which would cost them $27,500, for which they would only receive the three and one half per cent. interest on the bonds. While there was not much profit in the issuing of the currency, it was deemed best to do so, especially as there was a chance that Congress might yet pass the very equitable measure permitting banks to issue currency to the par value of their bonds, in which case they could easily issue the balance. The President was therefore authorized to purchase the necessary registered United States bonds, and to send them to the Comptroller of the Currency at Washington, D. C., after first assigning them properly to the Treasurer of the United States.

In making such assignment great care should be taken to correctly give the corporate name of the bank. The word "the" if in the corporate name should never be omitted, as is unfortunately sometimes done, and delay and trouble thereby caused.

Selecting a Location for the Bank.

The next question that arose was the location for the bank. In looking over the ground nothing very satisfactory in the way of a building could be found, so it was decided to rent a suitable room for a year and in the meantime organize a building company among the directors and stockholders, but separate and apart from the bank, for the purpose of erecting a suitable banking building.

The building association was duly organized and capital subscribed for. The next point was the selection and purchase of a suitable lot and the securing of plans for a banking building, and a building committee was appointed to attend to the matter. In due time a lot had been purchased, and several of the best architects had been approached for plans and specifications and terms.

In the meantime the President of the new bank had visited New York and arranged with one of the best banks there to act as the reserve agent for the new bank, and had deposited with them the necessary funds for the purchase of the bonds. The agent was to purchase the bonds and forward them to the Comptroller for the account of The Merchants' National Bank, of Centre City, on account of currency.

A comfortable room had been rented, the authorization certificate was received from the Comptroller, and the new bank was now ready to begin operations, with the exception of selecting a Cashier and such force as might be needed, and the fitting up of the bank room and procuring of proper books. J. P.

(To be continued.)

BANKING AS A PROFESSION.

[Paper read before the last annual meeting of the Minnesota State Bankers' Association, by David R. Forgan, President Union National Bank, Chicago.]

It is a pleasure for me to return to this great State, where I spent some happy years, and to meet on this occasion so many well-remembered friends. I thank your executive council for this opportunity so courteously offered me, and I also am indebted to them for saving me some perplexity by suggesting the line which they wished me to follow in this address.

Some people think that a bank is a place to put a boy who is no use for anything else. And it must be admitted that very moderate capacity, accompanied by good character, is sufficient to insure his job to many a man who spends his whole life in a bank. He learns to enter the checks in one column of a ledger, the deposits in another, and to strike a balance; and he may jog along on that very comfortably, remaining as innocent of all knowledge concerning the business of banking as the woman who scrubs the bank floor.

But while this is possible, it is by no means common. The bookkeepers in banks are generally men of more than average intelligence, and it is the greatest drawback to banking as a profession that a majority of those who enter its ranks are of necessity condemned to lifelong drudgery as bank employees, and never become bankers. Unfortunately, this seems to be particularly characteristic of banking in the United States. There are several reasons for it. Our system does not lend itself to the gradual evolution of a banker so well as the branch system. In Canada, for example, a young man soon gets to be teller at a small agency. If he is capable he will begin to show it in the telling-box, not so much by the rapidity and accuracy of his note counting, as by the knowledge of his customers' responsibility which he will soon acquire and display. From teller to the accountantship of a branch is an easy step in advance. In this position he is in charge of the office work; he has joint custody with the manager of all the cash and securities; he is authorized to sign for the bank; all minor questions that arise are referred to him for decision, and thus he begins to use his own judgment, to be clothed with some authority and to assume some responsibility. He ceases to be an irresponsible piece of the bank's machinery and becomes part of the guiding force of the machine. While not responsible for the loans, he is free to consult with the manager about them and to express his opinion on those he does not himself approve of. If he shows good judgment, independence of thought and self-reliance, he is marked for an agency. When that comes his evolution from bank clerk to banker may be considered complete. He is now in charge of a banking business; he makes or refuses loans; he loses money, perhaps, and gains experience; and, according as he proves himself capable, the business under his care increases or is driven away. It is not uncommon in Canada for a man to attain this position as young as, say, twenty-five. But even then, the first is usually a small agency where the amounts loaned are light, and the important positions come later, when he has shown capacity in the lesser ones. All through these steps of promotion you will notice his employer has been the same, and the ability displayed in minor positions has been noted and rewarded by an employer having many higher positions in his gift.

Unfortunately, our system usually puts only one, and at most a very few, responsible, well-paid positions in the gift of an employer. Consequently promotion is very much slower, for the ability displayed in minor positions is known only within the institution. The gulf between bank clerk and banker is therefore with us much wider and harder to bridge than it is where the branch system of banking prevails.

Fundamental Principles of Sound Banking.

Another thing which militates against the attractiveness of banking to ambitious young men in this country is the want of its general acknowledgment as a profession. We lead the world in railroading, in mechanical pursuits, in agricultural industry, in general business ability, but in financial skill we lag behind in the race for national supremacy.

This is equally apparent in our unscientific currency system, which casts the blighting breath of suspected instability over our entire financial fabric, and in the undeveloped condition of the banking profession.

So far as my observation goes, high-class banking is practiced among us only in spots. It is far from being general. One of the fundamental principles of good banking is that the bank should not furnish the capital for its customers to do business upon. The customer should possess his own capital, and require assistance from the bank only at certain seasons and for specific purposes. There ought to be a time in each year when the customer owes the bank nothing. Indeed ideal banking does not include single-name paper at all, but is confined to the discounting of customers' bills receivable, representing an actual purchase of goods by the maker from the endorser, and to loans upon convertible collateral security.

We have gone so far along other lines that this no doubt seems more ideal than practical, but I am at least sure that the best criterion of a bank's loans is the proportion of them that can be collected at maturity, if desired or required. One has only to apply such principles to the ordinary banking practiced among us to recognize how far we fall short. The number of special partnerships between banks and their customers is legion. Or, to go into details for a moment, I do not think a bank can be thoroughly well managed, at least in cities, without something in the nature of a credit bureau being established. Data covering the average balances of customers' accounts, full details of their assets and liabilities, commercial agency and other reports, the growth or decrease in their business, etc., should all be available at a moment's notice. Many of our largest banks have no system of tabulating such information, but I will venture the assertion that there is not one of them which could not have avoided losses, both past and future, by its establishment.

No details are so insignificant in banking that they may be considered unimportant. There are at present three lawsuits, involving large amounts, before the Chicago courts, belonging to three different banks, all of which turn chiefly upon the date on which certain collaterals were taken. For the credit of the profession in Chicago I am sorry to have to admit that not one of the three banks can prove this all-important point by its records.

There are several reasons for all this, but the chief one is the total lack of uniformity in the training of men for the business. It is only within the past few years that boards of directors and the general public have begun to think that training counts in banking. Until recently bank Cashiers and Presidents were as likely to be selected from any other line of business as from the ranks of bank men.

It is still quite common to think a man can run even a large bank as a kind of side-show to his other more important business affairs. This idea is the costliest one that ever entered into shareholders' heads, but in spite of the long list of failures caused by the mixing up of the bank's affairs with the President's, the idea dies slowly. It is still the exception rather than the rule to find a bank President who could fill any other position in the bank as well as the man in it. Many of them are absolutely ignorant of bookkeeping, have no knowledge of accounts, and even domestic exchange transactions, to say nothing of foreign, are a kind of continual mental puzzle, which to-day they think they grasp and to-morrow cannot recall.

I am referring to bank Presidents who are the active managers of their respective banks, and whose salaries as such are far the largest in the bank. There is, however, a common arrangement by which the President holds his position by virtue of his standing in the community, or his large ownership in the bank, takes only a nominal salary, gives his counsel and advice, but does not pretend to be a banker nor the active manager of the business. This arrangement is often a wise and successful one. But where it exists there must still be an active manager in the person of Vice-President or Cashier, and he at least ought to be a thoroughly trained banker. The predominance of men filling such positions who are not so trained is in my opinion a great drawback to our profession. It tends to keep our most capable young men from entering its ranks, and for the most part only those are attracted who have no thoughts of a career, but are well pleased to go to "work in a bank." In countries where the profession, as such, is more fully recognized, young men enter a bank as a career, looking forward to the time when they shall sit in the manager's chair. This is a fine thing for the profession, even although, as we know, the majority can never reach their goal.

Natural Qualifications for a Banker.

But it may be asked, Will training make a banker? No, it will not. If a man has not natural shrewdness, good judgment of human nature, practical common-sense, level-headedness, courage, faith and self-reliance, which all go to form that sixth sense by which a banker almost intuitively accepts good loans and rejects doubtful or dangerous ones, he will never successfully fill a managerial position.

Bankers, like poets, are born, not made. But it is equally true that just as long years devoted to the study of versification, modulation and the choice of words, added to the divine gift of nature, made Tennyson the finished English poet of our century, so training in accounts, exchange collections, discounts and correspondence, added to natural capacity, will make a finished banker capable, as opportunity may develop him, of rising to be the trusted handler of other people's millions.

A born banker will begin learning his business from the day he enters a bank, and go on learning it daily till he dies. During the first few months, merely from going messages, he will learn what is legal due diligence in handling collections and cashing checks, what is a correct endorsement on a negotiable instrument, the various reasons for which checks are returned, who in the community pay their bills promptly, who do not, who draw checks for which there are no funds, whose uncertified checks on other banks may be safely accepted and the documents surrendered—and many other things too numerous to mention, but all worth knowing to a banker.

Studies Helpful to Bank Clerks.

Indeed in banking as in games of skill there are many things which, if not learned young, are never learned. As the young man progresses, he will master the entire system of bookkeeping and correspondence. He will invent new and easier methods of his own, for no one with the right stuff in him is ever content to go on doing needless things simply because they have always been done before. It is astonishing how much needless making of entries may be avoided by study. Checks in some banks are entered three times in different places before they are returned to the customer, in others about thirteen times. The record is as complete in one case as in the other, and I am not sure but that all entries more than two are superfluous. Our young man must, above all things, fight against the doing of things by rote. That is what kills the ambition and curtails the career of the majority. To help him to resist this insidious temptation, he should study subjects connected with this profession, and thus keep his mind fresh and well stored. As suggestive of what studies will best help him, I would recommend those prescribed by the Institute of Bankers, in Scotland, for the examinations which must be passed by its members. For the degree of associate member, the following are the subjects: Geography, algebra, arithmetic, English composition, bookkeeping, bank books, exchange and clearing-house system and rules, note circulation, interest and charges, negotiation of bills and checks, and history of banking. For the higher degree of member, the subjects are more formidable, viz.: Principles of political economy, stocks and stock exchange transactions, history and principles of banking and currency, principles of law of conveyancing, bankruptcy, mercantile law, law of bills of exchange, etc. In addition to these examinations, lectures are attended and prizes given for essays. All the Scotch banks set the seal of their approval upon their clerks who pass the two examinations by paying them a bonus of £5 and £10 respectively. The benefits of this old Institute are thus summed up by its ex-secretary: "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 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."

When I add that about 250 young men annually present themselves for these examinations, does not this go a long way towards accounting for the position in the banking of the world held by the sons of that little land? It will be a great day for American banking when a similar institution is started in our own country.

Lessened Bank Profits.

The most striking characteristic of American banking at the present moment is the universal tendency to smaller profits. Not only is money getting cheaper, but competition is so keen that the temptation to gain business by doing it for nothing is proving too strong for many bankers. This tendency will help to hasten the day of the trained professional banker in preference to the amateur who spent the best part of his life at something else. For while the natural shrewdness of the successful American business man is frequently enough to make the untrained banker the equal of the trained one so far as making safe loans goes, the former is always at a disadvantage when it comes to profits to be made in domestic or foreign exchange, or the scientific study of individual accounts for the purpose of ascertaining their value or loss to the bank. As the rates of discount are reduced these other matters must receive more attention, or no money will be made in the business. The professional banker is seldom inclined to do business for the fun or glory of it. He studies his customers' accounts and treats them in matters of charges as they are fairly entitled to be treated. While some are entitled to free exchange, a general par list, as adopted by many banks, renders more than half of their accounts not only profitless but the producers of an actual loss. And, besides, it is responsible for the abominable system of sending checks for collection through circuitous routes. Sometimes they thus pass through six or eight banks, and I have known instances of checks passing through Chicago twice on their checkered career towards final payment.

In London, where interest rates are so finely cut, the banks, as a rule, charge a commission on the entire annual turnover of an account. Wherever the business of banking has been brought to its highest state of perfection, there you will find the banks the stiffest in such matters. I remember spending a day in London interviewing various banks, trying to induce them to accept a good account on better terms than the bank made where the account was kept. In every case the answer was the same. I was courteously but firmly told that these terms were the lowest the business could be done on with a profit, and if I had no other reason for changing the account I had better leave it where it was.

I have in mind a large bank in a certain city, let us say on the Yukon River, which charges off a debit balance of about $15,000 per year at exchange account. Comparing this bank's business with two others in the same city, whose profits in exchange are known to me, I figure the profit should be $35,000 per year. This makes a difference of $50,000 per annum, which would pay a five per cent. dividend on a capital of $1,000,000. But, it may be asked, does not the bank in question gain as much in profitable deposits by such liberal treatment as it loses on exchange? My answer is, that both of the banks used for comparison have increased in deposits in recent years faster than the one in question, notwithstanding the determination of their managers not to do business for nothing. It is almost needless to add that the bank I refer to has a managing officer who was getting old before he became a banker, while the other two are run by men who have been bankers since they were boys.

The one thing above all others which helps a bank to get profitable deposits is its reputation for good management of its assets. The most important assets of any bank, and the criterion of the condition of all the rest, is the mental and moral equipment of its managing officers. Doing business for nothing may seem to succeed for a time, but such looseness of management does not create a permanent reputation, and in time generally becomes apparent in the loans as well as in the profits.

Banking Is a Profession.

If banking be worthy the name of a profession, there should be certain things universally considered unprofessional within our ranks. Giving services without profit or at actual loss should be unprofessional. Solicitation of business by offering to work more cheaply should be as unworthy a banker as we consider it unworthy a doctor. Reflections on the character or solvency of a competitor should be, and I am sure generally are, considered in the same category, and I think borrowing from one's own bank should be added to the list. The positive qualifications for a good banker are not of the brilliant or showy kind. But they must be of the solid, enduring kind. He is the trusted agent between the poor lender and the rich borrower. His responsibilities are of a sacred character. No bank ever fails without some helpless widow or orphan having their little all swept away from them. The business prosperity and the business character of any community are largely in his keeping. Bad banking will bring ruin, careless banking will bring loose business methods in an entire community. Success as a banker is within the reach of any man of average ability, fair education and high character, who, possessing the natural talents of shrewdness and discretion, adds to them by persistent effort, familiarity with accounts, wide knowledge of general business, special training in banking, some acquaintance with commercial law, experience in analyzing statements, correct judgment of men, the gift of saying "no" firmly, but not offensively, the courage to do business with decision and self-reliance, based upon careful investigation, and above all the high moral purpose to be controlled by no other thought than the best interests of his shareholders.

Opportunities of the Future.

In conclusion, let me say to the young men of our profession: Do not be discouraged, although your immediate outlook be narrow.

You have chosen a most honorable profession. Stick to it. Although the difficulties in the way of your promotion are great, as I have shown, they are not insurmountable. This country has produced many individual bankers who rank with any in the world. Such men are always in demand.

Be optimistic enough to believe that our glorious country has not yet seen its best days. Its development during your lifetime is going to surpass in commercial greatness anything the world has ever seen. And as all commercial roads lead into the bank, banking will develop with it. This means more and more responsible, well-paid positions within your reach.

Do not expect great riches. They occasionally come legitimately to a banker, but the one whose mind is bent upon gaining them is a dangerous one for his shareholders. But aim at a high place in your profession. Success will mean at least a comfortable living for your family, a position in the community second to none in power and usefulness within commercial lines, the opportunity to save a moderate competency, and to insure those dependent upon you against want in case of your death. This is as much as life offers to any, even the rich, and it is a reward well worthy your best efforts.

The only way to rise is to do well your present duty. Learn by your mistakes and the mistakes of others. All bankers who succeed make mistakes. The banker who never lost a dollar is like the North Pole, much discussed, but hard to discover, and when he is found he had better be sent there. The rushing business done in that region would just suit him.

There is no calling in which chance plays a smaller part in achieving success than ours. Your success depends upon yourself. Your capital in life is your reputation for ability, trustworthiness, experience, self-reliance, courtesy and character. Strive to maintain and increase it. With such a reputation firmly established you are well-armed for the battle of life, and no one can take it away from you but yourself.

Trade with Cuba and Porto Rico.—The interest in the business opportunities offered in Cuba and Porto Rico which is felt by the business men of the United States is shown by the large number of letters on that subject now being received by the Treasury Bureau of Statistics. These come from all parts of the country, but especially from the great manufacturing, producing and business centers. The inquiries are generally for statistics as to the imports into those islands, the purpose evidently being to determine the class of articles demanded and the countries from which the supplies have been drawn in the past few years. This information the Bureau of Statistics has been able to supply very fully, its figures showing in great detail the articles imported into those islands from each of the leading commercial nations during the past decade.

In general terms it may be said that the imports into Cuba and Porto Rico have averaged about $60,000,000 a year during the past decade. Of this about one-half was from Spain, about one-third from the United States, and the remainder from England, Germany, France and other nations. This average of $60,000,000 per annum is probably considerably below the normal consuming capacity of the islands, the imports of the past two or three years having been greatly reduced because of the war. Of this average annual importation of $60,000,000 into Cuba and Porto Rico, about eighty-five per cent. has gone to Cuba, about one-third, as indicated above, being from the United States, one-half from Spain, and one-tenth from Great Britain. The large percentage of the imports of Cuba and Porto Rico which Spain was able to retain for her own people was due both to Spanish influence among the merchants and importers and to the discriminating tariff in favor of goods coming from Spain.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court 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.

CHECKS—STOPPING PAYMENT—RIGHTS OF HOLDER—BURDEN OF PROOF.

Court of Appeals of Kentucky, May 12, 1898.

Where payment of a check is stopped by the drawer, the holder has *prima facie* a cause of action against the drawer.

Where the drawer proves that the check was obtained from him by the fraud of the payee, the burden is upon the holder to prove that he is a *bona fide* holder for value.*

LEWIS, *C. J.:* The Merchants' National Bank of Cincinnati, Ohio, brought this action against W. H. David, to recover on the following bank check:

"No. 179. Covington, Ky., June 13, 1898. Farmers and Traders' National Bank: Pay to Geo. S. Crawford Bros., or order, three hundred and fifty dollars. $350. W. H. David."

Indorsed: "Geo. S. Crawford, Pres. For collection and credit. Merchants' National Bank, Cincinnati, Ohio. W. W. Brown, Cas."

Two defenses were made to the action: First, that there was no consideration for the execution of the check in question, and it had been procured from him by the fraud and misrepresentation of the payee. The second paragraph contains a denial of the allegation in the petition that Crawford, the payee, by written indorsement on the check or otherwise, sold and transferred it to the plaintiff at its banking house in Cincinnati, Ohio, or elsewhere, or that appellee ever paid for said check the sum of $350 or any other sum, or ever became the owner thereof; and it is stated that, if the check was ever delivered to appellee, it was deposited merely for collection, and if presented by appellee for payment, it was presented for collection, and not on appellee's own account. To the first paragraph a general demurrer was sustained. To the second paragraph a reply was filed, containing a denial of the affirmative allegations of the answer. In this connection it is proper to say appellant tendered an amended answer, in which the mode by which Crawford committed the alleged fraud in obtaining the check was more specifically set out than in the original answer. But refusal of the court to permit the amended answer filed cannot be treated as reversible error, unless the alleged want of consideration and fraud be legal defenses to this action. A question never heretofore distinctly determined by this court thus arises: Whether such check is to be treated like a

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* The Negotiable Instruments Law provides:

§ 98 New York Act: Every holder is deemed *prima facie* to be a holder in due course; but when it is shown that the title of any person who has negotiated the instrument was defective, the burden is on the holder to prove that he or some person under whom he claims acquired the title as a holder in due course. But the last-mentioned rule does not apply in favor of a party who became bound on the instrument prior to the acquisition of such defective title.

bill of exchange that has been taken and presented for payment before maturity, and the dishonor of which the drawer has had due notice.

The sections of the Kentucky Statutes applicable are as follows:

"Sec. 474. All bonds, bills or notes for money or property shall be assignable so as to vest the right of action in the assignee; but except in case of bills of exchange, not to impair the right to any defense, discount or offset that the defendant has and might have used against the original obligee, or any intermediate assignor, before notice of the assignment."

"Sec. 478. Bills, drafts or checks, payable in bank notes or currency, or other funds wheresoever drawn or payable, shall be deemed negotiable, and treated in all respects as if drawn for money, except as to the value of the currency in which they are payable."

"Sec. 483. Promissory notes, payable to any person or to a corporation, and payable and negotiable at any bank incorporated under any law of this Commonwealth, or organized in this Commonwealth under any law of the United States, which shall be indorsed to, and discounted by, the bank at which the same is payable, or by any other of the banks in this Commonwealth, as above specified, shall be, and they are hereby, placed on the same footing as foreign bills of exchange."

It will be observed that the conditions upon which promissory notes may be placed upon the same footing as foreign bills of exchange are only prescribed in section 483; no mention being made therein or elsewhere in the statutes of the conditions upon which checks or drafts are to be so treated. For a definition of the nature, character, and quality of a check, it was therefore evidently intended resort should be had to the common law or law merchant. Section 1652, Daniel, Neg. Inst. is as follows:

"Whenever a check is negotiable, it is undoubtedly subject to the same principles which govern ordinary bills of exchange in respect to the rights of the holder. In the first place it is evidence of a valuable consideration as between the immediate parties thereto, and between the plaintiff and the drawer when payable to bearer. In the second place, it may be transferred by indorsement, or by delivery without indorsement when payable to bearer. In the third place, when sued upon, the possession is *prima facie* evidence of title, and the plaintiff is presumed to be a *bona fide* holder for value, without notice of any defense existing between prior parties, and such defenses cannot be pleaded against him. In the fourth place, even when it is proved that the real owner parted with it, or that the drawer drew it without consideration, the burden of proving *bona fide* ownership for value, without notice, will not devolve upon the holder; but when shown to have been drawn for an illegal consideration, or to have been obtained from the drawer by fraud or theft, the burden of proof is thrown upon the holder, and he must show a *bona fide* title in order to recover. And, in the fifth place, when a check is presented for payment by the holder, his indorsement is a guaranty of the validity of all prior indorsements, rendering him liable to refund any payment to him by virtue of an illegal indorsement through which he claims title."

The description of the quality of a bank check and distinction between it and a bill of exchange there stated is similar to that laid down by previous text writers on the subject, and has been accepted and approved generally by this court, and particularly in the case of *Lester* vs. *Given* (8 Bush, 357).

As the paper in question fulfills the description of a bank check, and the payor, the Farmers and Traders' Bank, by order of appellant, refused payment when demanded by appellee, the holder, the latter has *prima facie* a cause of action against the drawer. But, in our opinion, the court erred in sustaining a demurrer to the first paragraph of the answer, and in refusing to permit the amended answer filed; for although the alleged fundamental attainment of the check, even if a fact, would not avail as a defense if appellee be *bona fide* purchaser and owner, still, if proved, it would have had the effect of imposing upon appellee the burden of showing a *bona fide* title in order to recover. It is true, appellee offered oral testimony tending to show it acquired, by purchase, *bona fide* title to the check. Nevertheless, the written indorsement thereon shows that it was transferred to appellee, "for collection and credit" merely, and not to pass the title. Moreover, appellant did not take any testimony on that issue; nor, the demurrer to the first paragraph of his answer being sustained, was it necessary for any testimony to be taken by either him or appellant. Wherefore, for the error indicated, the judgment is reversed, and case remanded for a trial of the issue whether appellee, as a *bona fide* purchaser, acquired title to the check, and for proceedings consistent with this opinion.

WAIVER OF PROTEST.

Supreme Court of Mississippi, June 20, 1898.

TIMBERLAKE *vs.* THAYER.

The waiver of protest and notice is a waiver of demand.*

This was an action by Thayer against Timberlake on a promissory note of $150, indorsed by him waiving "notice and protest." The plaintiff recovered the amount of said note and interest. The testimony being concluded, the defendant moved its exclusion, because no demand of payment was made at the maturity of the note; which motion was overruled.

TERRAL, *J.* (omitting part of the opinion): The waiver of "protest and notice" was a waiver of a demand. (*Carpenter* vs. *Reynolds*, 42 Miss. 807.)

CERTIFICATE OF PROTEST—WHEN SUFFICIENT.

Supreme Court of Michigan, July 12, 1898.

UNION NATIONAL BANK OF TROY *vs.* WILLIAMS MILLING COMPANY.

The essentials of a certificate of protest are a statement of the time, place and manner of presentment, and of the demand and dishonor; and the person by whom and to whom presentment was made.†

Where the certificate of protest fails to show the place and manner of presentment, it is insufficient.

The certificate is not required to be made at the time of the dishonor, and a certificate made six months thereafter is presumptive evidence of the facts therein stated.

LONG, *J.:* This action was brought in assumpsit against the defendant Williams Milling Company (a corporation) as maker, and defendants Frank D. Pierson and George L. Mosher, as indorsers, of a promissory note.

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* The Negotiable Instruments Law provides:

§ 182, New York Act: A waiver of protest, whether in the case of a foreign bill of exchange or other negotiable instrument, is deemed to be a waiver, not only of a formal protest, but also of presentment and notice of dishonor.

§ 181: Where the waiver is embodied in the instrument itself, it is binding upon all parties; but where it is written above the signature of an indorser, it binds him only.

† The Negotiable Instruments Law provides as follows:

§ 261, New York Act: The protest must be annexed to the bill, or must contain a copy thereof, and must be under the hand and seal of the notary making it, and must specify:

1. The time and place of presentment;
2. The fact that presentment was made and the manner thereof;
3. The cause or reason for protesting the bill;
4. The demand made and the answer given, if any, or the fact that the drawee or acceptor could not be found.

The declaration is upon the common counts, to which is added a copy of the note sued upon, and a notice that the note constituted the plaintiff's sole cause of action. Defendants pleaded the general issue.

Upon the trial the defendants claimed that the notice of protest attached to the note was insufficient to bind defendants Pierson and Mosher as indorsers. It appeared that there was attached to the note the following certificate:

"United States of America, State of New York, ss.: I, Henry Wheeler, notary public, do hereby certify that I have this day duly protested for non-payment the annexed bill. H. Wheeler, Notary Public [Seal.] Troy, December 14, 1896."

When this note and certificate of protest were offered in evidence, the court below held the certificate insufficient, in that it did not show that payment of the note was demanded at the place of payment, or what the notary did, if anything, to notify the indorsers, and that plaintiff could not recover against the indorsers.

The case being on trial before the court, an adjournment was given from May 13 to June 8 following, when the plaintiff again produced the note, and a certificate of protest, purporting to be made by the same notary, in due and legal form, which would have entitled the plaintiff, if attached to the note in the first instance, to hold the indorsers. It was conceded that this certificate was made out after the former partial hearing on May 13 by the attorney for the plaintiff, drawn upon his type-writer at Bay City, Mich., and sent to the plaintiff bank, at Troy, N. Y., and there signed by the notary, and returned, without any change or alteration whatever being made in it as drawn at Bay City.

The plaintiff then rested its case, and no other testimony was given upon the trial by either party.

The court found that neither certificate was sufficient evidence of the protest of the note; that the second certificate was made more than six months after the actual protest of the note, and was not proof of the facts therein stated. Judgment was given for the plaintiff against the Williams Milling Company, as maker of the note, and in favor of defendants Pierson and Mosher.

Section 682, How. Ann. St., makes such certificates presumptive evidence of the facts contained therein in all courts of this State. Counsel for plaintiff contends that the first certificate was sufficient evidence of the due presentment and protest of the note.

We cannot agree with this view. The essentials of a protest are the time, place, and manner of presentment, demand, and dishonor; the person by whom and to whom presentment was made. (2 Daniel, Neg. Inst. 16.) Where a bill is payable at a bank, the protest must state a demand made there. (*Bank* vs. *Brooke*, 31 Md. 7; *Nave* vs. *Richardson*, 36 Mo. 130.) None of these requisites is shown in the first protest. The place and manner of presentment are wholly lacking, and the person to whom the presentment was made is not stated. The purpose of the statute is to avoid the necessity of calling the notary, and to make his certificate *prima facie* evidence. The evidence contained in the first certificate was not sufficient to warrant a judgment against the indorsers.

But counsel further contends that at least the court was in error in refusing to enter judgment after the second certificate was received in evidence. In this contention we think counsel is correct. In *Burkam* vs. *Trowbridge* (9 Mich. 209), it was said.

"The object of this notice has always been held to be merely to bring home to the party sought to be charged information that the paper has been presented at maturity and dishonored, and that he is looked to for the payment. * * * The protest of a note includes, by natural inference, the timely demand and refusal which alone could justify it; and notice of protest, therefore, is an inferential statement of these."

Our statute makes such certificate of protest *prima facie* evidence. A proper certificate is annexed to the note, and the only objection made is that it does not bear date as of the day the presentment was made. If a note or memorandum had been made by the notary at the time he made the presentment, showing what was done, and time when, a certificate made up from that memorandum would have been sufficient. (*Bailey* vs. *Dozier*, 6 How. 23.) In New York even this memorandum would not have been necessary, but the certificate of the notary is held to be *prima facie* evidence of the facts recited in it, though the certificate be made and dated two years after the date of presentment. (*Bank* vs. *Hunt*, 2 Hill, 635.)

We cannot presume that the notary did not do all that is stated in his certificate, though the certificate is dated six months after the date of presentment. The presumption, under this statute, which makes the certificate evidence, is that the certificate correctly sets out the facts.

The judgment below must be reversed, and judgment entered here in favor of the plaintiff against all the defendants. The other justices concurred.

CHECKS—FORGED INDORSEMENT—ACTION AGAINST MAKER—ESTOPPEL.

Supreme Judicial Court of Massachusetts, June 29, 1898.

SHEPARD & MORSE LUMBER COMPANY *vs.* ELDRIDGE.

The holder of an unindorsed check, payable to his own order, is under no legal obligation to the drawer to exercise care as to how the check shall be kept, or to whom he shall commit its custody, or to insure its not being put into circulation by the forgery of his indorsement, so long as he acts honestly without collusion.

The owner of a check which has been lost or stolen is under no obligation to give notice of such loss to the drawer or the drawee, if such owner remains honestly ignorant of such facts, and incorrectly, but honestly, assumes that it has been collected in the regular course of his business.

And as he is under no obligation in this respect, he is not chargeable with knowledge of a forgery committed by a clerk, though this might have been discovered by an examination of his books of account.

Where a clerk of the payee fraudulently places the payee's indorsement thereon, and collects the money on the check, his knowledge of the facts will not be imputed to the payee.

The payee whose indorsement has been forged may be estopped to assert his claims against the drawer by his actions subsequent to the forgery, where such actions may have prejudiced the drawer.

This action was brought by the payee against the drawer upon two checks dated January 25 and July 24, 1895, respectively. The checks, which had been forwarded by mail in payment for lumber, had come into the hands of one Fowle, a clerk in the employ of the payee, who having forged the payee's indorsement thereon collected the checks and embezzled the proceeds. The fraud was not discovered until more than six months after the date of the lost check, when it was learned that he had embezzled more than $40,000 of the payee's money. The day after the discovery was made, and after obtaining from Fowle the full list of misappropriated checks, including the checks in suit, the plaintiff sent one Gray to the defendant to obtain the checks in suit. Gray got them and brought them to the plaintiff's treasurer, on January 30 or 31. To obtain the checks Gray told the defendant that the plaintiff wanted the two checks to see whether the indorsements were forgeries. The defendant, after finding the checks among the vouchers returned from his bank, said he did not think they were forgeries, that the signatures looked like Mr. Shepard's; and the defendant got out some letters with Mr. Shepard's signature, and compared them, and thought the indorsements were not forgeries, and so stated. Gray asked to have the checks, telling the defendant that the purpose for which he wanted them was for a prosecution for forgery, and that, if they turned out to be forged, no harm should come to the defendant in letting them go out of his possession. On the faith of these assurances, and on the further statement of Gray that the checks should be returned to the defendant when the prosecution for forgery should be finished, and on the faith of a written receipt, the defendant allowed Gray to take the checks. The receipt was of the following tenor:

"Bourne, Mass., Jan. 30, 1896. Received of A. R. Eldridge paid checks, no number, dated Jan. 25 and July 20, 1895, amounting to $446.24 and $561.97, respectively. To be returned when the case is finished. Shepard & Morse L. Co., per Geo. F. Gray."

When the plaintiff's treasurer, on January 30 or 31, got these checks from Gray, he immediately saw that the indorsements of his signature thereon were forgeries; and he immediately gave notice to all the indorsers except Fowle that those indorsements were forgeries, but he gave no notice at that time to the National Bank of Wareham, and he gave no notice to the defendant until February 10, 1896, when he sent a letter of the following tenor:

"Boston, February 10, 1896. Mr. A. R. Eldridge, Bourne, Mass.—Dear Sir: The Shepard & Morse Lumber Company desires to acknowledge the receipt from your concern of the following checks, drawn by you on the National Bank of Wareham, Mass., payable to the order of the Shepard & Morse Lumber Company, and all bearing forged indorsements, 'Shepard & Morse Lumber Co., H. B. Shepard, Treas.': Date Jan. 25, 1895, amount $446.24; date July 20, 1895, amount $561.97. Shepard & Morse Lumber Co., by H. B. Shepard, Treas."

Barker, *J.* (omitting part of opinion): The defendant's requests for rulings, were framed as if all the evidence were in; and, in refusing them, the judge made two special findings of fact, which were, in substance, that the defendant's position had not been changed to his prejudice after the misappropriation of the checks by Fowle, and that Fowle was not permitted by the plaintiff's negligence to obtain payment of either check.

The requests for rulings were, in substance, that the plaintiff could not maintain the action; that the plaintiff's neglect, after the discovery of the forgery of the indorsements, to give notice of the same to the defendant until February 10, was an unreasonable delay, which of itself discharged the defendant; that it was an unreasonable delay, which discharged the defendant if his position had in the meantime been changed to his prejudice; and the assurances given by the plaintiff through Gray, on January 30, 1896, to induce the defendant to give up the checks then in his possession, and the receipt then given by Gray, are an adoption and ratification of the indorsements and of the payment of the checks thereon, so that the defendant cannot be held liable on the checks; also, that those assurances and the receipt estop the plaintiff from maintaining the action if the defendant's position was changed to his prejudice by giving up the checks; and that his position was so changed.

There were also requests with reference to the trial balances for February and July, 1896, to the effect that if the examination of the books for making up the trial balances would have disclosed to an honest clerk the loss of the checks, and brought to the plaintiff's knowledge facts which, by the exercise of due care and diligence, would have disclosed the forgeries, the plaintiff cannot escape the knowledge to be thereby imputed to it, because the examinations and trial balances were made by Fowle; that the plaintiff must be deemed to have had knowledge of the first forgery in February, 1895, and of the second in August, 1895, and cannot recover, because it did not give notice of the forgeries to the defendant at those times, and because of unreasonable delay after those dates in giving notice to the defendant, and because of the delay since those dates, if the defendant's position has been changed to his prejudice.

There were also requests to the effect that if Fowle was permitted, by the negligence of the plaintiff, to get possession of the checks, and to obtain payment on them, the plaintiff could not recover, and that if, in the month after each check was given, the plaintiff had means of knowledge that the check had been taken from it, and collected by Fowle, and remained ignorant of those facts by reason of its want of ordinary care, the plaintiff could not recover on the check, and that in those circumstances it could not recover on the check if in the meantime the defendant's position had been altered to his prejudice.

There was also a request to the effect that if the plaintiff knew that the defendant was its regular customer, and that he had been buying lumber of it for years, paying for it with his checks sent to the plaintiff by mail, and that Fowle, on the receipt of such checks, was in the habit of receipting the bills, and returning them to the defendant as paid, and that he was authorized so to do; and if the plaintiff knew or had reason to believe that the defendant relied upon the return of the receipts as evidence that his checks had been duly received by the plaintiff, and had been duly honored, and had been collected by it—it was the plaintiff's duty to take reasonable care of such checks, and to use ordinary care in availing itself of the means of information in its possession to ascertain whether such checks were duly collected for its account, and it was bound to the defendant to know at any time when, by the use of ordinary care, it had the means of knowledge in its possession, that it had lost, without receiving payment, any check so received from the defendant, and at once to inform the defendant thereof, and that a failure so to inform itself and to notify the defendant would discharge him.

There were further requests, to the effect that the plaintiff's action in asking for and taking from Fowle the check given by him to the plaintiff on February 28, 1896, after the plaintiff knew that Fowle had deposited to his own credit checks payable to the plaintiff, was a ratification by it of Fowle's appropriation to his own use of the checks, and that the plaintiff's action in requesting the Old Colony Trust Company to pay checks of Fowle's after the plaintiff had such knowledge, was such a ratification.

One question for decision is whether the plaintiff can recover, if by its own negligence in the conduct of its business, Fowle was in its employ, and intrusted with the possession of the checks, when ordinary care would have shown the plaintiff that Fowle was dishonest, and had already stolen from it, and collected, by forging the plaintiff's indorsement, many checks previously sent to it by its customers.

The finding of fact that Fowle was not permitted by the negligence of the plaintiff to obtain payment of either check does not render this question immaterial, because, if the plaintiff's negligence in this regard was a material consideration, much evidence relevant to it was stricken out or excluded, and the finding made without considering that evidence has no weight. It is apparent that the judge below considered such negligence on the part of the plaintiff wholly immaterial. If it was so, the exclusion of evidence tending to establish it did the defendant no harm; but the finding of fact must be laid one side, and, notwithstanding that finding, we must inquire whether the plaintiff's negligence, if it could be found from the evidence offered, was a defense.

The doctrine of contributory negligence as a defense to actions of tort is now of most frequent application; but we have been referred to no instance in which it has been held applicable to actions upon commercial paper, or even when the holder of such paper sues in tort for its conversion one who has innocently taken it upon a forged indorsement. Nothing could more completely unsettle commercial dealings than to extend that doctrine to suits brought by holders of negotiable paper against other parties thereto. If any change is to be made in the law, looking to the discouragement of negligence on the part of holders of such paper, and to the protection of parties who may be defrauded by the forgery of indorsements, it should be made by the Legislature, as in the case of the English statutes as to indorsements of checks and bills upon bankers. (See St. 16 & 17 Vict. c. 59, § 19; 45 & 46 Vict. c. 61, § 60.)

We are of opinion that the holder of an unindorsed check, payable to his own order, is under no legal obligation to the drawer to exercise care as to how the check shall be kept, or to whom he shall commit its custody, or to see to it that the check shall not be put in circulation by the forgery of his indorsement, so long as he acts honestly without collusion. Such a holder is not deprived of his remedy against the drawer by merely negligently intrusting such a check to a clerk who, due care would have told him, was dishonest, and thus giving the clerk an opportunity to commit crime. He has the right to assume that his clerk will not commit a crime, and to rest upon the presumption that he has not stolen or forged, and will not do so; and he is under no legal obligation either to the drawer of the check or to the public to see to it that the check is not put in circulation with a forged indorsement. (*Combs* vs. *Scott*, 12 Allen, 493, 497; *Belknap* vs. *Bank*, 100 Mass. 376; *Bank* vs. *Stowell*, 123 Mass. 196; *Mackintosh* vs. *Bank*, Id. 393, 395; *Bank* vs. *Gorham*, 169 Mass. 519, 521; *Cotton Co.* vs. *Wilson*, 49 Law J. 713; *Societe Generale* vs. *Metropolitan Bank*, 27 Law T. [N. S.] 849, 858; *Scholfield* vs. *Londesborough*, [1896] App. Cas. 514; *Bank of Ireland* vs. *Trustees of Evans' Charities*, 5 H. L. Cas. 389; *Ogden* vs. *Benas*, L. R. 9 C. P. 513; *Fine Art Society* vs. *Union Bank of London*, 17 Q. B. Div. 705; *Swan* vs. *Australasian Co.* 2 Hurl. & C. 175, 189; *Arnold* vs. *Bank*, 1 C. P. Div. 578, 586, 588.)

Such a holder of a negotiable check is under no other legal obligations with reference to it than those which rest upon any holder of commercial paper completed and put in circulation by the maker. If the check is stolen from him, and put in circulation, by means of the forgery of his indorsement, he is not answerable, as is one who intrusts to another his signature or indorsement in blank, with authority to use it in making or giving currency to negotiable paper.

The doctrine of *Putnam* vs. *Sullivan* (4 Mass. 45) and of *Young* vs. *Grote* (4 Bing. 253), does not apply, and it cannot properly be extended to the case of a completed check already in circulation, and intrusted by the holder to a clerk for purposes which neither give nor imply any authority to pass it on to another holder, nor give the clerk any power to do so without the commission of a crime.

It is not necessary now to determine whether the debts for which the checks were given were extinguished. If the checks were taken by the plaintiff in absolute extinguishment of the debts, that circumstance could not relieve the drawer from his legal obligations as drawer. While the drawer has done his duty, and it is through no fault of his that the payee does not get his money if the check is stolen from him and collected upon a forged indorsement, that does not furnish a sufficient reason why the loss should remain upon the payee, rather than the drawer. The check was received in payment, and the debt extinguished only in consideration of the drawer's obligation as drawer, and of the payee's rights as holder, which included the right of recourse to the drawer if, upon proper indorsement and due demand, the check should not be paid by the drawee.

Although there are intimations in support of the theory that cases like the present are instances in which, as to two innocent parties, losses are to be left where they fall, we think the rights of the present parties must be worked out by considering the usual rights of the drawer and drawee of a check given in a commercial transaction. (See *Thompson* vs. *Bank*, 82 N. Y. 8; Morse, Banks, § 395).

The fact that the defendant had been in the habit of buying goods of the plaintiff for ten years, and of making payment by checks, imposed no liability upon the plaintiff as to the methods in which its own business should be conducted, or as to what clerks it should employ. So far as these checks are concerned, its obligations to the defendant were merely those defined by the law of negotiable paper, and did not include the duty of taking care that the checks should not be stolen or its indorsement forged.

Nor do we think that the plaintiff is to be charged with the knowledge that the checks had been stolen or embezzled and collected upon its forged indorsements, either because Fowle, its clerk, had that knowledge, or because the means of knowledge existed in the plaintiff's books of account, so that the plaintiff would have made the discovery if its monthly trial balances had been made by an honest clerk.

The loss of the checks to the plaintiff was not in fact known to it until Fowle's arrest, on January 29, 1896, and, as to all other parties to the checks, they were never lost checks. One was paid in four days, and the other in nine days, after its date; and they were thenceforth in the custody of the drawee or drawer. Assuming that the owner of a check which he knows to be lost is under a duty to give to the public and to the parties to the check immediate notice of the loss, we see no reason for holding that one who has become the holder of a check is under a duty to give notice to the drawer and the drawee or to the public as of a lost check, if the check is in fact stolen and collected upon a forged indorsement, and he remains honestly ignorant of those facts, and incorrectly but honestly assumes that it has been collected in the regular course of his business.

Unless the plaintiff was under a duty to give notice as of a lost check, there was no duty to any one connected with the checks which required the plaintiff to examine its books of account, or to make trial balances, or to discover by any means what had become of the checks. Assuming that, if such a duty towards other parties had rested upon the plaintiff, it would be chargeable with the knowledge which Fowle had, or which would have been acquired by the making of the trial balances by an honest clerk, or by an examination of the plaintiff's books by its officers, as the depositor was chargeable with the knowledge of his dishonest clerk to whom he intrusted the examination of returned checks in *Dana* vs. *Bank*, 132 Mass. 156, since no such duty to others rested upon the plaintiff, it is not to be charged with knowledge which it did not in fact have.

Fowle was himself defrauding the plaintiff in forging the plaintiff's indorsement and collecting the checks for his own use, and therefore his own knowledge of the fraud acquired in its perpetration is not to be imputed to the plaintiff. (*Bank* vs. *Clark*, 166 Mass. 27, and cases cited.) Nor is this contended. And, as the examinations of the books in making the trial balances were not made in the performance of a duty owed by the plaintiff to any other party, the knowledge of the agent who made those examinations is not to be imputed to the plaintiff, nor is it to be charged with the information which its means of knowledge disclosed, it not being willfully ignorant, nor having purposely neglected to use the means of knowledge within its power. (*Combs* vs. *Scott*, 12 Allen, 493, 497.)

As the plaintiff cannot properly be charged with imputed knowledge that Fowle was indorsing with its name these checks or any of the other checks which he stole or embezzled and collected by forging its indorsement, we find nothing in what occurred until the plaintiff obtained actual knowledge of the frauds to work an actual or implied adoption or ratification of Fowle's acts in indorsing the checks with the plaintiff's name, or in collecting them. The want of actual knowledge is fatal. (*Combs* vs. *Scott*, 12 Allen, 493; *Murray* vs. *Lumber Co.* 143 Mass. 250; *Dole Bros. Co.* vs. *Cosmopolitan Preserving Co.* 167 Mass. 481.)

The receipting of subsequent bills by the plaintiff without informing the defendant that the debts for which these checks were given had not been extinguished was not an act intended or designed to convey to the defendant any representation as to what had become of the checks in suit, and could not justify the defendant in his inference that the checks had been collected by the plaintiff, so as to estop the plaintiff from showing the truth. The receipting of subsequent bills without mention of the previous checks was not done with the intent to mislead the defendant, nor with any expectation or reason to believe that the defendant would, in consequence of it, do or omit to do anything with reference to the checks now in suit. (*Stiff* vs. *Ashton*, 155 Mass. 130; *Lincoln* vs. *Gay*, 164 Mass. 537; *Bank* vs. *Rogers*, 167 Mass. 315, 321.)

The remaining question is whether what occurred after the actual discovery of the frauds requires us to sustain the defendant's exceptions. It is not necessary to consider whether the payee of a check which has been stolen from him, put in circulation by forgery, and paid by the drawee, upon ascertaining those facts should give notice to the maker, and to those who have taken the check as rightfully in circulation, of such facts within the payee's knowledge as are material to the rights and obligations of such persons growing out of their transactions with the check.

A majority of the court is of the opinion that a payee who, under such circumstances misleads the drawer to his prejudice, and thereby places him in a worse position than he would otherwise be in with reference to the assertion or protection of his rights, resulting from what has been done with the check, is thereby estopped from maintaining an action against the drawer upon the check, and that for this reason the exceptions should be sustained and the finding for the plaintiff be set aside.

It is true that it was found specially that the defendant's position had not been changed to his prejudice; but this finding must be disregarded, because evidence relevant and material to the question was offered by the defendant, and wrongfully excluded, even if the finding was correct upon the evidence admitted, which we do not decide. The evidence offered and excluded to show upon what footing and by what representations and assurances the plaintiff, through Gray, got the checks from the defendant, was material upon the questions whether the plaintiff was estopped, by its own acts done after its discovery of the forgeries, from collecting the checks, of the defendant, and whether the plaintiff adopted as to him the forged indorsements. So, also, the evidence of the plaintiff's acts between its discovery of Fowle's frauds and its demand of the checks from the drawee on February 14, was material in determining whether the defendant had been prejudiced in his rights to recover against the drawee. To say nothing of the plaintiff's omission to notify the defendant of its own purpose to treat the checks as unpaid checks, and to collect them of the defendant, the plaintiff's act in getting the checks from the defendant on January 29 as paid checks was intended by the plaintiff to change the defendant's position and did change it, by depriving him of the possession of the checks. They had come to the defendant's hands honestly, and as vouchers for charges made against him by the drawee. Even if they had been demanded of him by the plaintiff as its property, the defendant could honestly refuse to give them up, and could honestly at once return them to the drawee, with notice of the facts, and thus save himself from loss by perfecting his right to recover from the drawee the amount of the unauthorized payments which the drawee had charged against him in account. (See *Bank* vs. *Smith*, 169 Mass. 281.)

The enforcement of the defendant's rights against the drawee was not so plain and easy for him without as with the possession of the checks, and the loss of possession itself might have been found a change in his position to his prejudice. Besides this, the plaintiff's act in getting the checks from the defendant as paid checks, without notifying him that the plaintiff claimed them as its own property, and intended to collect them, while at the same time giving the defendant information that the plaintiff's indorsements were forged, would naturally induce the defendant to omit to give information of the forgery to the drawee; and it does not appear that any information was given to the drawee until the checks were demanded again of it, on February 14.

The fact that the drawee has always been solvent, and remains solvent, is not the only factor in determining whether the defendant has lost his right against the drawee. (See *Dana* vs. *Bank*, 132 Mass. 156; *Bank* vs. *Morgan*, 117 U. S. 96; *Leather Manufacturers' Bank* vs. *Merchants' Bank*, 128 U. S. 26.)

Without discussing that question, we think the evidence as to what was done by the plaintiff after it knew of the forgeries should have been admitted, and that if it appeared that the plaintiff got the checks from the defendant as paid checks, to be returned to him, and did not properly notify the defendant that the plaintiff claimed the checks as unpaid and as its own property, and that it intended to assert that ownership and collect the checks, a finding for the defendant would be warranted.

Exceptions sustained.

FORGED INDORSEMENT—ACTION AGAINST PAYEE BANK.

Supreme Judicial Court of Massachusetts, June 29, 1898.

WINSLOW, *et al.* *vs.* EVERETT NATIONAL BANK.

Where a bank has paid a check upon a forged indorsement, and has refused to pay the same upon the genuine indorsement of the payee, the drawer may maintain an action against the bank for the amount thereof.

Such action may also be maintained by the payee as assignee of the drawer.

HOLMES, *J.:* This was an action in the name of a depositor in the defendant bank to recover a sum deposited with it, with a count for refusing to honor a check for the same amount. The check was given by the plaintiff to the Shepard & Morse Lumber Company, and was abstracted by Fowle, and used in the way explained in the previous case. (*Lumber Co.* vs. *Eldridge.*)* The defendant paid a holder under an indorsement forged by Fowle, and refused to pay the holder under a true indorsement made at a later time, after the forgery had been discovered.

This action is brought by the lumber company, in the name of the plaintiff, by virtue of an assignment from the latter.

The defendant sets up as defenses the alleged negligence of the lumber company in giving Fowle a chance to commit his fraud, and that the nominal plaintiff's debt to the lumber company has been satisfied, either by the check or by the subsequent assignment, and, therefore, that the nominal plaintiff has suffered only nominal damages.

The defense based on the carelessness of the lumber company is disposed of in the last case, and it is unnecessary, therefore, to ask how, if a contract is good as to the contractor, or a debt is due to a creditor, it can be invalidated by being assigned.

The other defense is *res inter alios*. The bank becomes the plaintiff's debtor for the money had and received. Nothing but payment, accord and satisfaction, or a release under seal, is an answer to the plaintiff's demand. (*Leather Manufacturers' Bank* vs. *Merchants' Bank*, 128 U. S. 26, 34.)

It is no concern of the bank whether the plaintiff owes the lumber company or not. But further, the plaintiff's debt is not paid if the check is not paid, as it has not been; or, at most, the plaintiff's liability is only changed to a liability on the check—a change which would be a curious reason for holding the bank exonerated from paying the check.

Whether a depositor whose check has been paid upon a forged indorsement, and returned to and held by him as a voucher in the account between himself and his bank, and who again puts the check in circulation by redelivering it to the payee, whose indorsement has been forged, can maintain an action against the bank for refusing to honor the check upon its second presentation, without notifying the

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* Reported in this number of the BANKERS' MAGAZINE.

bank, before such second presentation, that its payment of the check was unauthorized, and that he has again put the check in circulation, was not raised at the trial, and was not argued in this court; and upon that question we express no opinion.

Exceptions overruled.

CERTIFICATE OF DEPOSIT—TIME OF MATURITY.

Supreme Court of California, May 31, 1898.

CITIZENS' BANK OF LOS ANGELES *vs.* JONES.

A certificate of deposit, payable twelve months after date, but containing the further provision that it is "payable in six months, if desired," need not be presented for payment at the expiration of six months in order to charge an indorser.

This was an action to recover from defendant, as indorser, on a certain certificate of deposit. The certificate was in these words: "No. 5,927. First National Bank of Helena, Montana. (Not subject to check.) October 19, 1895. G. M. Jones has deposited in this bank ($1,000.00) one thousand dollars, payable to the order of self, on return of this certificate, twelve months after date, with interest at the rate of six per cent. per annum for the time specified only. Payable in 6 mo., if desired, with interest at 6 per cent. No interest after due. No. 70,430. Geo. F. Cooper, Cashier."

VAN FLEET, *J.* (omitting part of opinion): The further proposition apparently advanced, that the instrument was by its terms due at the end of six months, and that plaintiff was bound to present it at that time in order to hold the indorser, is not tenable. The paper did not by its terms mature until October 19, 1896. The stipulation therein that it would be paid at the end of six months, "if desired," was an option solely for the benefit of the payee, to be availed of at his election. (*Belloc* vs. *Davis*, 38 Cal. 355.) And the instrument being negotiable, this privilege passed to the indorsee.

CHECK—PAYMENT—RECLAIMING REMITTANCE.

Court of Chancery Appeals of Tennessee, December 18, 1897.

CARLEY *vs.* POTTER'S BANK.

A check drawn on the defendant bank by a person whose account was already overdrawn, was ordered to be returned by the Cashier, but by mistake of the Assistant Cashier, it was stamped paid, and a remittance therefor placed in the post office; but no entry of payment was made in the books of the bank. The remittance was subsequently recovered from the post office. *Held*, that the bank was not liable for the amount of the check.

This was a bill of equity filed to recover the amount of a check given by one Turner on the defendant bank, payable to the complainant, and which had been presented for payment through the mail. The other facts are sufficiently stated in the opinion.

BARTON, *J.* (omiting part of the opinion): Shortly and briefly stated, the suit is to recover the amount of the check, protest fees, interest, and costs, because the complainant had received this check from Turner, placed it in the Bank of Alexandria, and received credit for it. It was forwarded by that bank to the First National Bank of Nashville, and by it to the defendant bank, by whom it was received on November 25, 1895, at which time the drawer, Turner, had no funds to his credit in that bank, but was largely overdrawn. By a mistake of the Assistant Cashier, and against the orders and directions of the Cashier, who had a right to control, it was marked "Paid," and a remittance to cover the amount by the Assistant Cashier placed in the post office, to be sent to the First National Bank of Nashville, but was afterwards, by direction of the Cashier, reclaimed from the post office, and the check protested. It was never charged against the drawer, Turner, on the books. Under this state of facts and the pleadings, is the defendant liable?

We have been referred to, and find, no case in this State directly on the point in controversy. We are cited by complainant's counsel to the case of *Canterbury* vs. *Bank*, decided by the Supreme Court of Wisconsin in September, 1895, and reported, with annotations, in 30 Lawy. Rep. Ann. 845 (s. c. 64 N. W. 311).

That case was very much like the case at bar, and in that case the bank was held liable. But between that case and this we note this difference: There there was a draft drawn by the complainant on W. E. Coats & Co. of Canterbury. The draft was discounted at the State Bank of La Crosse, which indorsed the draft, and sent it for collection to the Bank of Sparta, the defendant, on the day the draft was received. The drawees, W. E. Coats & Co., were overdrawn in that bank, but W. E. Coats & Co. accepted the draft, and requested the defendant to pay the same. The defendant, knowing that Coats & Co. were overdrawn, agreed to do so, and made its draft on the Atlas National Bank of Chicago, payable to the Cashier of the bank at La Crosse, from whom the draft had been received, placed the same in a letter, and mailed it to the Cashier of the bank, and entered on the books of the bank the draft as paid, and charged the drawees, Coats & Co., with the amount of the draft. Subsequently, having ascertained that Coats & Co. had failed, the bank at Sparta attempted to get the letter containing the draft out of the post office, but found that it had gone to La Crosse. By telephoning, however, they got the letter out of the post office at La Crosse and destroyed the draft they had sent and the letter, and erased from their books all entries that had been made. It appears that in that case the La Crosse bank had assigned to Canterbury its right of action against the Bank of Sparta.

Cassoday, C. J., in delivering the opinion of the court, said that undoubtedly the defendant, in making its draft on the Chicago bank, gave a corresponding credit to Coats & Co. on the faith of their solvency, but that it did so voluntarily and for their accommodation, and without being induced to do so—without any fraud or mistake of fact. He further held that, while the defendant retained the actual or constructive possession of its draft, it could withold its application in payment of the draft on Coats & Co., but, by sending the draft by mail to La Crosse, it parted with such possession, and vested the title to the draft in the La Crosse bank, and thereby lost all rightful authority to take the same from the mail; that the mailing of the letter inclosing the draft was, in legal effect, a delivery of the draft on the La Crosse bank; and that the discovery thereafter that Coats & Co. had failed gave them no right to recall the draft.

Two matters of difference are to be noted. In the first place, the bank at La Crosse had discounted and paid the draft, the remittance was to it, and it had assigned its right of action to Canterbury. In the next place, the draft was not paid by mistake in that case, as in this.

There is no doubt, we think, that for most purposes, and in a contest over the title of a remittance, it would be properly held that a delivery to the post office would be such a delivery as would pass a title; but we doubt its application to this case. As a rule, a letter and its contents is subject to the control of the writer and sender until is is actually delivered to the addressee. (See *U. S.* vs. *Tanner*, 6 McLean, 128 Fed. Cas. No. 16,430.) In the case of *Bank* vs. *Wetherald* (36 N. Y. 335) it was held that, where payment was made through mistake, the bank could rescind its action, unless the payee would, by its rescission, be put in a worse condition. It has also been held that, if a bank certifies a check to be good by mistake, and notifies the holder in sufficient time to prevent any loss in consequence of the error, the bank will be discharged from liability on the certificate. (In addition to the above, see *Second Nat. Bank* vs. *Western Nat. Bank*, 51 Md. 128; *Meredith* vs. *Haines* [Pa. Sup.] 14 W. N. C. 364.) Even if the case cited and relied on by complainant's counsel were binding on this court, there is a clear distinction to be made between a case where the bank knowingly and purposely pays a check or draft, and makes a remittance to the former holder, and one where the check or draft was paid through mistake by a subordinate, and contrary to the orders and directions of the controlling officer in the bank.

Again, inasmuch as the complainant does not show in his bill, nor does it appear in the proof, that he is the owner of and sues on the check in question, nor does it appear that he had any assignment of the right of action from the First National Bank or the Bank of Alexandria, we are unable to see that he had established any right against the bank. For these reasons, the decree of the chancellor will be reversed, and complainant's bill dismissed, with costs.

Wilson, J., concurs.

Affirmed orally by the supreme court, February 26, 1898.

RESTRICTIVE INDORSEMENT—PAROL EVIDENCE.

Supreme Court of Nebraska, June 23, 1898.

UNITED STATES NATIONAL BANK OF OMAHA *vs.* GEER, *et al.*

1. Where commercial paper is indorsed in blank, the terms of the contract may be shown by parol evidence to be different from that which the law implies in such cases.
2. A restrictive indorsement in unambiguous language cannot be contradicted or explained by evidence resting in parol.
3. A certificate of deposit indorsed by the payee, "Pay to the order of R. C. O. cash, for account," of the indorser, is a restrictive indorsement, vests no general property to the paper in the indorsee, but merely constitutes him an agent for the purpose of collecting; and parol evidence is not admissible to establish that the transfer of title was absolute.
4. The former opinion in this case, reported in 73 N. W. 266, 53 Neb. 67, overruled.

Harrison, *C. J.*, and Irvine and Ryan, CC., dissenting.

(Syllabus by the Court.)

NATIONAL BANK—VOLUNTARY LIQUIDATION—PURCHASE BY TRUSTEE.

Court of Civil Appeals of Texas, June 4, 1898.

CAGE *vs.* SHEPARD.

A judgment may be recovered by a National bank after it has gone into voluntary liquidation.

Under the laws of Texas the liquidating trustee of a National bank is not forbidden to purchase at his own sale.

This was an action by Shepard to recover certain land, or to enforce a judgment lien thereon. The judgment had been obtained by the Erath County National Bank and, with other property of the bank, had been transferred by the Vice-President and trustees of the bank to Shepard, who was also a trustee.

STEPHENS, *J.* (omitting part of the opinion): The judgment recovered in the name of the Erath County National Bank after it had gone into voluntary liquidation was not for that reason invalid. Such is the construction given the National bank statute by the Supreme Court of the United States. (*National Bank* vs. *Insurance Co.* 104 U. S. 55.)

Nor did the fact that appellee was one of the liquidating trustees incapacitate him to become a purchaser at the sale by such trustees of the assets of the bank; he being one of the stockholders, and the sale being at auction to the highest bidder, after notice given of the time and place and manner of the sale to all the stockholders, who alone were interested in the matter—the bank being entirely solvent.

It is held in this State that a trustee, in the protection of his own interest, may become a purchaser at his own public sale. (*Marsh* vs. *Hubbard*, 50 Tex. 203; *Bohn* vs. *Davis*, 75 Tex. 24.)

ACTION UPON NOTE—ALLEGING CORPORATE EXISTENCE AND LOCATION OF BANK.

Court of Appeals of Kentucky, May 19, 1898.

GRAHAM *vs.* LOUISVILLE CITY NATIONAL BANK.

In an action upon a promissory note negotiable and payable at a National bank located in Kentucky, the proper form of allegation is that the bank where it was payable was a banking corporation organized in the State of Kentucky and created and existing under and by virtue of the National Bank Act.

The omission of the word "the" in the title is not material.

HAZELRIGG, *J.:* The note sued on by appellee was signed by John W. Graham, and was made payable to the appellant, and by her indorsed with her name, written across the back of it. It was then left with the payor, who was the son of appellant; and he discounted it before maturity at appellee's bank, though it was negotiable and payable "at Citizens' National Bank."

The original petition was defective, in not averring that this indorsement by appellant was for the benefit and accommodation of her son, the payor (*Callahan* vs. *Bank*, 78 Ky. 604; Id. 82 Ky. 231), and in not making averments showing that the bank where it was payable was a banking corporation organized in the State of Kentucky, and created and existing under and by virtue of the National Bank Act, etc., so as to show facts placing the note on a footing of a bill of exchange. (Gen. St. c. 22, § 21.)

These defects were subsequently cured by amendments to the petition, and the averments of the original and amended petition, in so far as they were put in issue, were established by testimony.

We do not regard the abbreviation occurring in the name "Citizens' National Bank" as fatal to the negotiability of the note. By common usage, the abbreviation, in this connection, means "national." Nor is the omission of the definite article "the," before "Citizens'" at all material, although such article is prefixed to the name of the organization in its charter.

It is also argued that the location of the bank at which the note is payable is not indicated. Mr. Daniel in his work on Negotiable Instruments, says: "When it is necessary to negotiability that the note be payable at a bank in the State, and the note is made in the State, payable at a bank, it will be presumed that the bank is in the State." (1 Daniel, Neg. Inst. § 90; *McVeigh* vs. *Bank*, 26 Grat. 785.)

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: **PATRIOT, Ind., August 26, 1898.**

SIR:—Where we make a charge, so much per annum, for safe-deposit boxes, are we at all accountable or bound to replace any loss for anything they contain, provided a loss or destruction should occur by any reason, etc., unavoidable or otherwise. Our lock-boxes

have two keys, both kept by the customer, and the Cashier has a master key, so that both must be present to get in. CASHIER.

Answer.—While a bank which rents safe-deposit boxes is not an insurer of the safety of articles left therein by a tenant, it is bound to exercise a very high degree of diligence; and unless the loss should occur through some act of God, or through some cause which could not reasonably have been anticipated, the bank would be deemed guilty of negligence, and liable for the loss.

Editor Bankers' Magazine: JORDAN, Minn., September 2, 1896.

SIR:—Will you kindly refer me to the law, if any, at the same time outlining the probable action of the Comptroller of the Currency in event of the liquidation of *a solvent* National bank.

Section 5220, Revised Statutes, gives the right to shareholders by a two-thirds vote to put the bank into voluntary liquidation, but so far as I can find it gives the officers or shareholders no further rights, simply declares that they may go into voluntary liquidation and then the duty devolves upon them to give certain notices to the Comptroller and the public by publication. The Comptroller, as I understand the law, has discretionary power to take charge and appoint a Receiver *only* when he becomes satisfied that the bank is insolvent and the same statute provides *when* the stockholders may choose an agent to take charge of the business of a bank in liquidation—that is after the Receiver has had charge of it long enough to pay all its debts. Under these circumstances would it be necessary to appoint a Receiver for a solvent bank going into liquidation or would a majority voice of the stockholders be sufficient to make such a disposition as they deemed advisable of the assets and liabilities. In other words, could a National bank in liquidation transfer its assets to a State or private bank in consideration of such an institution assuming its liabilities? Would a bond be required for the faithful performance of such a trust; also would such a sale as contemplated above require the ratification of a State court where the State statute provides for the dissolution of a corporation, and if not would such ratification be necessary from a United States court? BANK PRESIDENT.

Answer.—There is no necessity for a receivership. After the debts of the National bank have been provided for, the stockholders may make such disposition of its assets as they see fit. But unless the creditors give their assent, the debts must be actually paid; and the assumption of such debts by another corporation, without the consent of the creditors, would not be a payment, and the transfer would be illegal as to them. Where a National bank goes into voluntary liquidation for the purpose of reorganizing as a State bank, or for consolidating with another National bank, it is customary to get the assent of the depositors to transfer their deposits to the other bank. If the liquidating bank has any contingent liabilities, as, for example, as indorser or guarantor on rediscounts, appropriate arrangements must be made with the creditor to whom such liability is owing. If no satisfactory understanding can be had as respects any particular claim, then the cash must be provided to pay it. In short it is the duty of the officers of the bank having charge of the liquidation to dispose of the assets so as to realize money with which to pay, (1) the creditors, and (2) the stockholders; but it is in the power of the creditors and stockholders to consent to any method of adjustment they may deem proper; and if they agree that the assets shall be transferred to another corporation, which shall assume the indebtedness of the National bank, such transfer will be perfectly valid, and no order of court and no security is required therefor.

Editor Bankers' Magazine: QUINCY, Ill.. August 19, 1896.

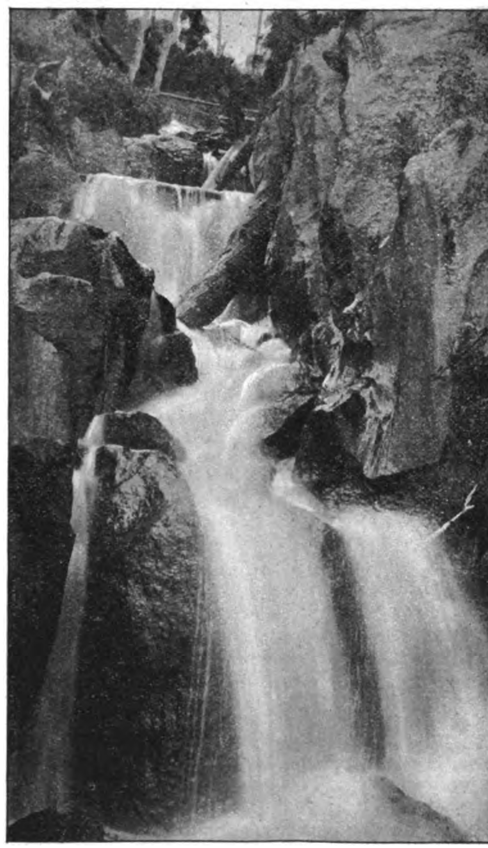
SIR: - Do you consider it desirable or otherwise for a bank to have its checks and drafts printed payable "in current funds?" GEORGE T. MARSTON, *Second Asst. Cashier.*

Answer.—We do not think that the term "current funds" has any practical value, now that the same kind of money is current in all parts of the country; and the use of the term is objectionable in at least one respect, viz., that it may raise a doubt as to the negotiability of the instrument, or as to its meaning. (See *Texas Land Co.* vs. *Carroll*, 63 Tex. 52; *Bull* vs. *Kasson*, 123 U. S. 112; *Haddock* vs. *Woods*, 46 Iowa, 435.)

AMERICAN BANKERS' ASSOCIATION.

TWENTY-FOURTH ANNUAL CONVENTION, DENVER, COL., AUGUST 23, 24 AND 25.

COLORADO gave a welcome to the Convention of the American Bankers' Association quite equal in every way to that which it has received in any of the other States where it has met heretofore, and in some respects surpassed them all. This was due to the fact that the charm of novelty was added to the delightful spirit of Western hospitality, for many of those who visited Denver last month saw the Rocky Mountains for the first time. Their introduction to the attractive resorts of this famous region, and a personal inspection of the possibilities and actualities of the mining and other resources of that part of the country, proved a source of more than ordinary interest.



FOSTER'S FALLS, GREEN MOUNTAIN.

From the testimony of all present it may be said that the bankers came away with pleasing impressions of their stay, and that their visit was beneficial in affording them an opportunity of gaining a better knowledge of the materials which the State has for adding to the wealth of the country, and to become acquainted with the energetic people of that section of the Union.

Of the bankers and people of Denver there is nothing but the highest praise to be spoken for the manner in which they entertained the Convention. Every provision which thoughtful care could devise was made for the pleasure of their guests, and the cordial spirit manifested assured the visitors that they were welcome. Socially this year's Convention was delightful, appropriate receptions being given at the hotel, the clubs and private

VIEW OF DENVER, ROCKY MOUNTAINS IN DISTANCE.

residences. Mention of the newspapers should also be made. They gave extended space to the Convention, and welcomed the bankers editorially in the most cordial terms. What has been said of Denver applies equally to the bankers and citizens of Colorado Springs, Cripple Creek and the various other points visited.

FIRST DAY'S PROCEEDINGS.

THE PRESIDENT: The hour of 10 o'clock having arrived, by virtue of the authority reposed in my office I announce the Twenty-fourth Annual Convention of the American Bankers' Association now in session and ready for business. The proceedings will be begun by prayer by the Rev. Chancellor W. F. McDowell, President of the Denver University.

PRAYER BY THE REVEREND CHANCELLOR W. F. MCDOWELL.

Let us pray. It is very meet and right and our bounden duty that we should at all times and in all places give thanks unto Thee, O Lord, the Father Everlasting and Mighty God. Therefore, with angels and archangels, and with all the company of the Heavenly Host, we laud and magnify Thy holy name, evermore praising Thee, and saying Holy, Holy, Holy, Lord God of Hosts, Heaven and earth are full of Thy glory, glory be to Thee, O Lord Most High. We praise Thee, we give thanks to Thee, we bless Thee, we adore Thee, and we beseech Thee to accept the worship which we bring, the thanks of our hearts, and the praise of our lips; and we offer Thee our prayers as we gather here, O Lord, out of the many places, under this roof. Help us that in all our workings we may have the fear of God before us always.

We thank Thee that Thou hast brought us hither in safety. We pray that our deliberations may be conducted with wisdom, and that our goings may also be in safety. We pray that Thou would have in Thy care those who are dear to us, whether they journey with us or whether they remain behind. Be with them, and be with us in our goings out and our comings in.

We pray Thee to bless the land we left. Help us, O God, in our own share of this great work which Thou hast committed to the United States. May the business concerns of the country be conducted with integrity and in a spirit of honesty and righteousness. May the affairs of finance everywhere be full of righteousness. May we have more concern for humanity than for money. May we value money not for what it is, but for what it can do. And so, O Lord, may we set an example to the nations of the earth as to how a great people may be a good people; how a strong people may be a helpful people. May we show to all mankind how those who wax rich and prosperous and mighty may also grow in the qualities of helpfulness and humanity and sympathy and all the other qualities that belong to the faithful sons of God.

We thank Thee for our prosperity; we thank Thee that after the long night the day has come, that after the hard storm there is the bright shining sun, that after the long stress and agony some respite has come. We pray that we shall use our prosperity as it comes as not opposing it, and help us in prosperity as in adversity to play the man and not to do the thing that will bring disfavor and displeasure to Thee. Bless our brave boys on land and on sea. Bless the President of the United States, and all others in authority with him, and accept our thankgivings, O God, for all Thou hast done for us in these days, for the way Thou hast led us, and bless us in this day and in all days that we are gathered here; may we see the King in His power and in His righteousness and obey Him, for Christ's sake, Amen.

THE PRESIDENT: The next business upon the programme is the roll call.

M. M. WHITE, of Cincinnati, Ohio: Mr. President, I move that the calling of the roll be dispensed with.

FRANK W. TRACY, of Springfield, Ill.: I second that motion.

THE PRESIDENT: All in favor of the motion, that the roll call be dispensed with, will manifest it by saying aye—opposed, no. Carried.

THE PRESIDENT: I have the pleasure now of introducing the Governor of the State of Colorado, the Honorable Alva Adams, who will address us in words of welcome. (Applause.)

ADDRESS OF WELCOME BY GOV. ALVA ADAMS.

The bankers last year held their convention at Detroit, convenient to a foreign land; to-day they give a guarantee that confidence has been restored by meeting in the center of the nation.

We welcome you to the land of gold and silver and what you may call financial heresies.' It is true we still believe in the money theories of St. John, the only saint on the past roll of your Association, but we will not do violence to the rules of hospitality by interfering with either your religion or politics. While we may hope for your reformation, our prayers will be silent and unspoken, but our welcome will be as ardent and sincere as a great State can extend to the most imposing financial convention of the age.

There are no tears in our greeting; Colorado is playing no dead march from Saul; we join every section of our country in an anthem of prosperity and in singing the " Star Spangled Banner."

We look upon the best year in our history; more dollars for our products, more mortgages canceled, more glory than was ever before garnered in a single year.

As we welcome you to our hearts and homes we ask neither references, indorsers nor collateral. May you manifest a living faith in reciprocity when we return your visit.

Colorado is young in years, but it has gathered many prizes from the fields of achievement. While the skies of the future are purpled with the prophesies of a sublime destiny, our banking history is in its infancy, our greatest banks and business houses are still guided by those who founded them. We cannot refer or point to the institutions of our fathers, for they are our own; we did not fall heir to them, but built them. Others may have more, but our little has come with the thrill of personal victory, the joy that industry feels when it masters the virgin growth of new lands.

Before the panic there were thousands who felt that they could manage finances better than the old conservative fogies who direct our banks. Many put their faith to the test. After the battle, in the midst of scattered fortunes and broken lives, they realized that they were as ill-fitted for the crucial periods of banking as were Montijo and Cervera to meet the fleets of Dewey and Schley.

LESSONS OF THE PANIC.

The panic brought its lessons, not the least of which was that banking is not based alone upon inspiration; that every real estate dealer, every farmer, merchant, horse-trader, lawyer, is not a financial Napoleon.

In this region we also learned that equities in real estate or stock in the only safe, certain and painless rupture cure are, as collateral, upon a par with Spanish honor. We have learned that it is not well for banks to be hungry for business, that it is better to foster tradespeople, merchants, manufacturers, legitimate business enterprises at moderate rates of interest rather than the promoters, the speculators who would convert every farm into town lots and every village into a phantom metropolis.

The banker of to-day does not need any warning danger signals to avoid the leading citizens—the prominent, enterprising, big man who is to transform the old, push away the conservative men and methods, and inaugurate a new, expanding day.

It is easy to be enterprising, public-spirited, on the cash that has been accumulated by the sweat, callous and sacrifice of others. Bankers are not now looking for partners who furnish gray matter and maps as offsets for cash. They are not alchemists, not magicians, they cannot make coin. There may be something supernatural about a lottery or a game of craps, but in banking there is no element of mystery—it is founded on solid ground. Integrity, industry, common sense, are the agencies of the banker's power; when he departs from these landmarks, when he hungers for business and cashes the drafts made upon hope and prospective findings of a hazelwood rod, he courts disaster. Leiter sought a royal road to wealth. Thank God, he did not find it. Better a single wreck than the poison and danger that would come from the success of a colossal gamble in human food. The panic was an object lesson that was not lost upon the American people; this was manifested in the subscription to the recent issue of Government bonds; the subscribers preferred the "beautiful simplicity" of the three per cents to the glittering hazards of speculation.

I am glad that it was the citizen at large and not bankers and syndicates that absorbed the bonds. Your loss has been the gain of the nation, as every holder of a bond becomes a stockholder in the Government; he has a personal interest in the wise administration and welfare of the country; he is a better citizen, more loyal and patriotic. No man was ever an anarchist who held a deed to an acre of land or had a share of Government stock. Fortunate is our country that every bond issued to pay for a war has remained at home. The wisdom of Voltaire was never more clear than when he said that "a State that only owes itself will never become impoverished, while its very indebtedness will become a new and powerful incentive to industry."

POSTAL SAVINGS SYSTEM.

That there might be a close financial relationship between the nation and its citizens, I would, if I were Czar, order the immediate establishment of a postal savings system. I would also make the United States a guarantee for the deposits in National banks. To secure the Government against loss, a general indemnity fund would be created by a nominal tax against all banks. The loss to depositors by National banks since the creation of the system has been less than two per cent. of the present capital stock of the banks of our country. The same small tax would pay all probable losses to depositors for a generation; it would be insignificant compared to the benefits. It would drive out of business the old-stocking, bureau-drawer, cellar banking. It would injure the safety deposit business, but in return for these endurable calamities (?) we would have an era of confidence that would prevent panics and throw into the channels of active business the entire volume of our money, instead of less than half, as now. Of course, strict governmental inspection would be necessary; this should be required under any system. It is not the law that is at fault in national banking, but its enforcement. From my investigation I am convinced that every bank that suspended in 1893 in the West could charge their disaster to the violation of the laws and instructions of the Treasury Department.

Hereafter more respect will be paid the law. Membership in the same church or the same poker club will not justify large overdrafts or excess loans on spiritual collateral or second or third equities in jack-rabbit additions. The day has passed when the banker can be the backer and indorser of every wildcat enterprise. The depositor will now hold him responsible for his investments as well as his character. Like the preacher, his life must be above suspicion. He cannot play the part of the English aristocracy to the schemes of Hooley. He cannot coquette with the banks whose name recalls the ancient rulers of Egypt, nor indulge in the other questionable amusements of the electrical hours. He must be a gentleman, but he cannot be an all-'round sport and good fellow and retain confidence.

QUALIFICATIONS OF BANKERS.

Intelligent selfishness is a necessary quality in banking. When you see a banker who is unselfish, who is booming every public enterprise, who is a generous, liberal, everybody's-friend sort of a man, take my advice and put your money in some other bank. The ancient bank of St. George, at Genoa, is the only bank in history that has been able, without disaster, to meddle in all affairs, to manage everything from a bakery to a political caucus; from the building of monasteries to the equipping of an army.

The community expects a high standard in its bankers. So far reaching and disastrous are the results of bad banking that the people are justified in demanding that those who hold their funds shall be men of integrity and character. By its very nature a bank is a public institution—different from all other commercial and industrial concerns. A private bank is a misnomer and ought not to be permitted by the law.

In the record of this Association I notice that you have established a "bureau of education, to educate people as to what is the true character and operation of banks." As there is a widespread idea that banks profit when others suffer, it might be well to let the people know that no other suffers so much from hard times as the banker, and panic is a period of agony and disaster to him—aside from this.

BANKERS AND EDITORS.

I fear you are too sensitive to criticism; I know a banker is a valuable weapon in the denunciatory arsenal of the political orator, and is used instead of Mephistopheles as a text by the campaign editor, but you know they do not mean half they say or write. It is like the measles or mumps, unpleasant but not serious. When we come to call upon you for an accommodation or to sell you a book or get a subscription, we always take off our hat; in fact, in personal contact the community shows so much deference to the bankers that the political editor and orator may be necessary as a counter irritant, to keep them from setting themselves up on too high a pedestal. You might, if all sang your praise, be emulating the Pilgrim Fathers, who met and passed the following resolution: "Resolved, That the righteous shall inherit the earth; resolved, that we are the righteous."

The saints of old thought that pebbles in the shoe and a hair shirt were necessary to keep the wicked desires of men in subjection. Perhaps it is the divine intention that in place of the hair shirts and pebbles the Populist resolution and the Shylock caricature are to be the agencies that are to keep you humble and contrite.

It is no doubt the Christian and benevolent design of the Populist to crucify and mortify the proud spirit of the banker so that he will feel so lowly and small that he may easily pass through that Biblical symbol of the rich man's gateway to paradise—the needle's eye.

In conclusion, we welcome you to our homes and cities; meet our people, go into the mining camps and see from whence come the gold and silver—the only safe basis for a true monetary system.

You meet at an auspicious time. The valor of our soldiers, the power and triumph of our navy, have been a strong nerve tonic to the American banker. He is better prepared than a few months ago to meet the responsibilities that face him. You stand at the open door of a new era. From your ranks must come the financial skill and genius that will shift the money center of the globe from the old to the new world; the seat of power is to pass from the Orient to the Occident. Before you is a financial field as wide as the horizon that bounded the dreams of Columbus. Like the British sovereign, we shall soon see the emblems upon American coin symbols of money through 180 degrees of latitude and 360 degrees of longitude. As ambassadors of that imperial industrial and financial destiny, we greet the bankers of America.

THE PRESIDENT: I regret to announce that the Hon. T. S. McMurray, Mayor of the City of Denver, is unable to be present this morning and take the part assigned to him on our programme, but I am sure we all feel that his welcome is included in that which has been extended to us by the Governor of the State. (Applause.)

I now have the honor of introducing to you the Hon. Joseph A. Thatcher, President of the Denver Clearing House.

ADDRESS OF WELCOME BY HON. JOSEPH A. THATCHER.

It is my pleasing duty on behalf of the Denver Clearing-House Association to extend to you a hearty welcome to this city.

It has been our good fortune to have many important conventions held here during the year; but this one seems to me to be very different from all the rest. If one did not know the purpose that brings these delegates together, he might in looking over them take it for some great church council assembled in our midst. I see here no tumultuous political excitement, or eager self-seeking partisans, with personal ambitions to gratify, as are seen in political gatherings, nor have we any learned doctors to enlighten us on the newest diseases of the land, in language that paralyzes our understanding and threatens us with heart failure; nor yet do I see any resemblance to the Great Woman's Biennial Club convention, or even the W. C. T. U.'s. But on a more careful survey of this large assembly, I am impressed how like it is to the great labor conventions that have been held throughout the country, for it can be seen at a glance that there are gathered the true representatives of the bone and sinew—the brawn and muscle of the land. Still, as I said, this Convention is different from all the others, and, in advance of them, in this, its aims and objects are solely philanthropic, the "greatest good to the greatest number," etc. No one will question this for a moment.

We have three days' hard labor before us. I would advise getting to work early each day, say by 12 o'clock, in order that we may have the afternoon and evening for rest and recreation, and I would follow the safe old adage, "Do nothing to-day which you can put off until to-morrow." We all know how well this rule has worked with those persistent borrowers (without collateral) who must have the money to-day. Your labors will be comparatively brief but arduous, and, as some slight reward, we, the citizens of Denver, invite you to join us in such pastimes and hospitalities as have been arranged or provided for by our entertainment committee. At this season of the year our usual amusements are limited; our theatres are closed, policy shops shut up, and our policemen on a vacation; but arrangements have been made whereby all the churches are to be kept open day and night during your stay among us, which no doubt will be duly appreciated.

We have not the age, nor wealth perhaps, of many cities which have entertained the American bankers, and we cannot do all that we desire to do for them, but whatever we have is yours. Denver bids you all a generous welcome to her fair skies and salubrious climate, and all Colorado invites you to enter into each city and hamlet and make it yours. These everlasting mountains invite you to explore their beauty, their grandeur and their riches. With rod and fly you may follow the innumerable streams that flow out from their base up to the rim of that perpetual snow that crowns their rugged heights, and ensnare from the cool, clear, dashing streams the speckled mountain trout, or the bold and gamey rainbow "just at the dubious point where, with the pool, is mixed the trembling stream, or where it boils around the stone, or from the hollowed bank reverted plays in undulating flow, there throw with eagerness the delusive fly, and as you lead it round in artful curve, with eye attentive, mark the springing game."

Or you may go in palace cars to our natural parks lying inside the first grand Rocky range and there hunt the antelope and black-tailed deer; or, again, those who wish a still greater sensation than these sports may give, can push beyond these parks and penetrate the second range of wooded hills and there find the kingly elk, the mountain lion and the grizzly bear.

But perhaps some of you care not for such sports, and would rather delve into the hidden riches of our mountains and thereby learn the main sources of our wealth; by easy cars then go to Cripple Creek, or Aspen, to Leadville or to Gilpin, and see the deep shafts and long levels made by the skillful miner to yield the native gold and silver ores, which, when treated, swell the nation's wealth. Our smelters, too, will bid you welcome to their plants, where you may see and learn the intricate and delicate way in which the values are obtained from the crude ore, and then imagine, if you can, the boundless wealth hidden within these hills, whose continuous outflow alone would enrich the world.

There are, no doubt, mingled with these delegates from the East single young men and "shady" bachelors. Let me speak a word of hope to you. If lack of courage or excessive modesty has been the impediment in your pathway to earthly bliss, why not come West? Why not come to Colorado, where you can have a show, where woman suffrage makes the fair sex, "once our superiors, now our equals," a prize, indeed, above all estimation; here a woman can attend the primaries and the conventions, be elected a city father, serve upon a jury, or hold any office, all of which we men despise, while we can stay at home in quiet, attend the children and draw her salary; very convenient, I assure you.

But no matter whether you follow my advice in any of these things, let me express the wish that when you do return to your homes, and once again take up the daily round of duties, so vast and so important to the financial welfare of the whole country, may you be refreshed in mind and body by this visit to Colorado, with enlightened and enlarged views concerning the geography, the resources and the possibilities of the West, and may the knowledge you have gained and the acquaintances you have made with the people of our young commonwealth be both pleasant and profitable, and result in a broader, deeper and kindlier feeling each for the other as the years go by

Reply to Addresses of Welcome.

The President: Your Excellency and Mr. President—I wish our schedule permitted me tó indulge in my own feeling, and that my ability seconded it, to fittingly respond to the welcome that you have extended to us. The simplest words of our language after all are the best, and in behalf of the American Bankers' Association, the largest association of bankers on the face of the globe as well as the oldest, I thank you. I would like to say more, but the fact is, ladies and gentlemen, this high altitude upsets one's equilibrium, and the distance is so alluring and deceptive that you are never quite sure just exactly where you are going until after you have gotten accustomed to your surroundings; but there has been nothing so astonishing to me since my entrance into the State of Colorado as to find such a level-headed Governor of the State. (Applause.) Why, he would pass in Massachusetts. And as for the President of your Clearing-House, what shall I say? Do you really think that he is a banker; that he has anything to do with settling clearings day by day? Why, he ought to be a poet. (Applause.)

I am reminded of a story of a party of scientists who came out into this country from Washington. They were under the guidance of an old army guide named Joe. One day, after having been skirmishing around the country, coming back to the campfire at night, they began to examine some little things they had picked up. Joe thought he knew everything about this section of the country, and seeing them with their heads together intent upon their examination, he was curious and went over to where they were and said: "Gentlemen, what is interesting you so much?" They said: "Why, look at these petrefactions. Here is a petrified toad, and there is a petrified fish, and here is a petrified leg of a bird." Joe said: "Oh, that's nothing; wait until to-morrow and I will show you a whole field of corn waving backward and forward in the sunshine, all petrified. Then I will show you a running brook full of swimming fish, all petrified. The next day I will take you to the edge of a cañon where you may look down and see in the depths of the gulch a campfire, with Indians holding a war dance, all petrified." "Well," they said, "that is very remarkable; we never knew we were going to strike such a country as this." "But that isn't all," said Joe. "The next day I will take you to the foot of the cañon, and you may look up and see the rocky heights a mile high and the sky showing between like a little blue ribbon, and if you look sharp you will see a buffalo apparently jumping from one of the cliffs to the other, all petrified." That was too much. "Now stop," said the scientists to Joe; "you may petrify your field of waving corn and your running brook and your dancing Indians, but when it comes to petrifying a leaping buffalo, and hanging him suspended in mid-air, we cannot stand that." "Why do you object to it?" he said. "Don't you know," they replied, "that there is such a thing as the law of gravitation, and that whatever goes up—even the price of Colorado real estate (laughter)—must come down, and that the law of gravity would bring the buffalo down?" "Well," said Joe, "of course there is the law of gravity, but don't you see the law of gravity is petrified, too." (Prolonged laughter.)

Now, we have been petrified in our astonishment by a great many things since we came here—the magnificent, luscious watermelons; did you ever taste anything like them? Why, if the Sultan of Turkey should taste one of them he would order a refrigerator ship to bring over a supply for his harem; and this wonderful irrigation of these magnificent fields, and this mysterious climate, and the wonderful displays of nature in the garden of the gods—all of these things petrify us, but the law of gravity of our minds seems petrified when we strike such a level-headed man as the Governor of the State of Colorado. (Applause.) Governor, when you get through being Governor, come East and we have got a good bank waiting for you. (Laughter and applause.)

The President then delivered his annual address, as follows:

ANNUAL ADDRESS OF PRESIDENT JOSEPH C. HENDRIX.

Gentlemen of the American Bankers' Association—Since our last annual gathering so many things have occurred that it is difficult to choose which of them to discuss. Indeed, the temptation is to maintain silence, or, according to our business habit, to observe, to reflect, to consider, and to say no more than is necessary. Custom, however, compels an opening address; but out of the abundance of food for thought what shall one select ?

From the time we parted a year ago at Detroit—all wondering at the commerce upon the great inland seas of the North, and the future it betokened—until we started to Denver to get rest and new ideas, we have been busy men, and ours has been a busy country. We have seen the fog of depression lift, the sunshine of prosperity come. We have seen difficult problems and acute conditions, which perplexed the learned and confused the experienced, disappear as a fever leaves the body, and the restless, active, progressive American business spirit resume its old-time dominion. The Republic, which but a short time ago seemed to fill some hearts with despair, has so unfolded its flag that the sun cannot set upon it, and the whole world has increased respect for the army and navy of the United States. The spirit of sectionalism, that once threatened to be a thorn in the flesh, has lost itself in the strife of the South and the North, the East and the West—through regulars and volunteers—to prove their fighting qualities in honor of a common country and our kind of civilization. The men who used to say that our country was too large, our interests too varied, and our ability to govern ourselves too uncertain, are now talking about annexation, conquests, military governments, new fields for commerce, and a new trade to follow our flag.

It has been a funeral year for a number of doctrines. The commercial power of our nation has had an intense awakening. The man behind the gun has done great work, and the man behind the plow has broken the back of our hard times, but the man in the factory is looming up, and he has to be reckoned with. He can produce more than home markets can consume, and he does not purpose to stand idle for a part of the year if he can help it. We have become a great manufacturing nation, and we have the Anglo-Saxon thirst for wide markets growing upon us. Ship plates from Pennsylvania are being used upon the Clyde. Steel rails are going to Australia and Japan. The lowest bid to furnish Glasgow with iron pipe and to build a steel bridge in Holland was in each case from an American manufacturer. The export of domestic manufactures has doubled in ten years. The promise of experience —that the country which can produce iron and steel at the lowest cost will control and dominate the commerce of the world—is awaiting us, now that Alabama is dictating the price of pig iron and Pennsylvania is fixing the price of steel. We hold now three of the winning cards in the game for commercial greatness—iron, steel and coal. We have long been the granary of the world; we now aspire to be its workshop. Then we want to be its clearing-house.

We are told that here in Denver we are a "mile high in the sky." It is then a good place as well as a good time for a survey of things. This wonderful West enlarges our vision. This clear air gives us command of far-distant scenes. In this climate they say a man can accomplish more work than in any other. Perhaps he can think bigger thoughts. At any rate, as we look round and see the wide-winged forces of good order, industry and enterprise sweeping over this land, and the birds of ill-omen taking their flight; as we feel the fresh, stirring breeze of a new era of prosperity, and watch it sweep the cobwebs out of the brain and the dust off the hearts of men; as we catch the song of harvest-home from the valley and see the fat cattle on the hill-side; as we see a new roof going on the church and a fresh coat of paint glistening on the little red school house, we bankers from Osceola, Kalamazoo, Wall Street, Boston and 'way down in Maine, want to uncover and thank God that this is all our country and that we live in it at the dawn of a new century. We want to testify that we believe in the United States of America, internally, externally, eternally. The hard times are over; popular discontent has vanished, and the great North-American chase for the dollar—first to get it, then to spend it—is in full cry.

THE PASSING OF HARD TIMES.

The only thing that we know with certainty about hard times is that they at last come to an end. Our most recent period of depression ended so suddenly that we can hardly realize the why and wherefore of it. At the beginning of this year the music we all love began once more. The first six months of 1898 has broken the record. We have never seen such bank clearings, never have had so many deposits and have never held so much gold as in that period. The railroads have never carried so much freight. Three-fourths of all the staples were higher on July 1st than they were the year before. The money circulation in the past year increased $197,400,000, and most of it was gold. The per capita circulation increased $2.17 for 74,522,000 people. Two great harvests have been cashed, and through the car windows coming here we saw a third getting ready. Less than five per cent. of the railroad mileage, out of twenty per cent. in 1894, remains in hands of receivers. Georgia has sold her peach crop for $2,000,000, and is awaiting the returns from the watermelons. And this is but half the story.

This is the Twenty-fourth Annual Convention of the American Bankers' Association. We have 3,350 members, representing an investment of more than a billion dollars in the business of banking and the custody of more than four billions of dollars of deposits. It is the oldest and the largest association of bankers in the world. When it was organized our country was on a paper basis. The first resolution of the American Bankers' Association sought to hasten the day "when every promise of our Government to pay a dollar should be honestly redeemed in coin." That day came. Since the resumption of specie payments our Government has redeemed over $500,000,000 of its demand notes and paid more than $1,300,000,000 of its bonded debt in gold. Then, as now, the question of currency was "the conundrum of the period." The struggle was to get to a specie basis. The bankers of the first Convention talked about the retirement of the greenbacks, taking the Government out of the banking business, and the war tax; and nearly a quarter of a century later we face the same questions. We may appear to have traveled in a circle, but in truth we have made excursions in experimental finance, and are at the point of departure, having confirmed, in the meantime, some of the political economy of the rest of the world. Our nation has been called the greatest experimental laboratory in finance the world has ever seen, but a period of more exact and scientific thought upon money and banking questions is at hand. Public opinion has been clarified, and it is evidently settling down to a purpose to bring our financial system to the eminence we have justly won in commerce, agriculture and manufacturing.

But no matter what may be said of our methods in domestic finance, the effective financial power shown by our nation in honestly redeeming its obligations in gold leaves no doubt anywhere of our ability. We have been too busy in this country, perhaps, to study economic questions. They have been forced upon us by hard experience. We have had the lessons and our country has profited by them. The political campaign of 1896 was a great educator. Both sides of the question then at issue were presented with unusual skill. The popular discussion went to the very foundation of the money question. As a result there is a clearer notion of a standard of value than ever before, and a better understanding of the difference, between a standard by which we may measure values and a currency by which values may be transferred.

PROPOSED REFORM OF THE CURRENCY.

In the past year there has been much discussion of a reform of our credit currency system. This discussion has reached a stage of great interest to us all. It presents definitely a question of national policy, very old in history, as to whether the nation shall reserve to itself the power to issue credit currency, or whether that power shall be devolved upon the banks. Every nation that becomes involved in a paper issue struggles to get free from it. Our paper currency is an unpaid debt of the Civil War, and in retaining it in our financial system we have had an object lesson, for many years, presenting its benefits and its evils. These may be weighed one against the other. Any currency system which develops evil must have a better reason to exist than that it is an economical form of national debt. Like an egg, it is good or bad. In this period of low interest rates, the burden of an interest-charge would be light compared to the interference with the profits of business that a period of distrust involves. We are all familiar with the recurring troubles of our currency system. We have seen the Government credit currency menacing financial order, exposing the Treasury to runs upon its gold, tangling up the affairs of State with private business interests, and confusing a central authority, which deals with consumption, by forcing it to exercise a function that is but half developed unless it is related to production and distribution. Our Government, we all feel, should, in its finances, be perfectly defended, independent of demand obligations, without responsibility to its citizens in their own financial affairs, and aloof from complications in the currency situation. It is a matter of perfecting defenses. We have seen how swiftly a war cloud may develop and burst with fury. An exposed treasury is a point of weakness. Other nations have found that out, and for that reason, one after the other has housed its currency affairs under the roof of some strong bank, so that the Government might be free to act in its diplomacy, its finances, its politics or its wars, without involving the affairs of every one of its citizens. The issue of credit notes to circulate as currency is a privilege either reserved to the Government, as at present in our history, with a severe penalty for any private issue, or conferred upon banks, because they are more closely related to the three great departments of business—production, distribution and consumption. The safety and uniformity of a currency based upon bank assets is not open to question. It is a matter of regulation

When this Association met in Baltimore in 1894, the bankers of that city, under the auspices of its clearing-house association, presented a plan known since as the Baltimore plan, which has appeared in modified form in most of the subsequent schemes for currency reform. This has been called the bankers' plan, but it was merely a theorem in banking based upon the experience of England, Scotland, Canada, and upon the facts developed under our State and National banking systems. The principle of a currency based upon bank assets and secured by a first lien, double liability of shareholders, and by a five per cent. guarantee fund, was then proposed for public discussion. The fact was made very plain, that if our National bank circulation had not been secured by Government bonds, an annual tax on circulation of one-fifth of one per cent. from the beginning would have met all losses resulting to note holders, without any lien upon assets, and that an annual tax on circulation of 3-100 of one per cent. would have reimbursed the Government for any loss on account of the circulation of failed National banks, if it had had nothing but the assets of the failed National banks to look to.

It is often remarked that the bankers of this country show no great interest in bank-credit currency plans; that they stated the Baltimore theorem as they might have stated an abstract proposition, and that they then left the field of activity to lawyers, editors, professors, writers on political economy, and to business men of public spirit. Undoubtedly a conservative feeling exists among bankers upon this subject. It reflects the traditions of our business in this country coming down from inflation periods of the past. In a banking system composed of so many units, each one conducted for itself with the zeal and enterprise native to our soil, there is presented the problem of the proper use of the privilege of issuing curency, without the danger of that bank-note inflation which swells like a balloon, and sooner or later collapses. Where the privilege is devolved upon a great central bank holding Government revenues, or large banks with branches, the issue of credit currency notes comes under skillful and informed direction. With us, the system must be executed by numerous small and scattered banks. The great improvement in every department of finance, however, renders impossible the recurrence of the old days of "wild cat" and "red dog" currency, and we may dismiss from our minds the idea, that under any future currency system, money brokers will have to keep us company. The question is far above that level. Under the intelligent guidance of the Monetary Commission appointed by the Indianapolis Monetary Convention, a measure has been evolved, which has been modified and reported to the House of Representatives by the Committee on Banking and Currency. This bill satisfies many objections made by conservative bankers. It deserves your careful consideration. Many objections will be made to certain features of it, for it contains new and even radical provisions, but though you disapprove of some of the details, the general purpose of the bill should be recognized, and should be supported. It is at least a point about which the disturbed and distracted opinions on the currency question may center, and perhaps begin to crystallize. We are in a transition state in our financial affairs. We can well afford to take short steps, even though the footing is difficult, if we feel that we are facing toward solid ground and a straight path.

It is no easy task to create a bank currency system to fit seventy millions of people, distributed over an area of three millions of square miles, and to meet the diverse needs of different parts of our country, and to have the system administered under national control through many thousand corporate banks. Our complex monetary situation adds to the obstacles to be overcome. We should do all in our power, by counsel and suggestion, to perfect the meritorious measure now pending, and to encourage the prevailing sentiment it represents. We have more interest in a currency system suitable to our needs at a nation, and our position among the advanced nations, than we have in any profit that may come through issuing a currency based upon bank assets. We have, as an Association, steadily resisted the repeal of the ten per cent. tax on State bank issues. We have uniformly contended for that monetary legislation which we believed to be for the best interests of our country. We have no interests as bankers to contend for, against the common interest of every citizen. Our country is ready, in all branches of its industry, for the new period now dawning, and out of the ferment there will, in natural order, be evolved a system of finance worthy of the destiny to which, as a nation, we seem to be committed. The cloud over the dollar of the United States, so faint in the sunshine of prosperity, but threatening in time of storm, will pass away, and we have faith that financial greatness will keep its historic step with commercial supremacy.

PREJUDICES AGAINST BANKERS DYING OUT.

The healthful reaction in the tone of the popular mind has apparently released the banker of the United States from his political pillory, and we may note a clearer popular conception of the use of a bank in the round of common life. It has been a seed time of primary truths. Banks would not exist if the people did not want them. The best kind of people require them; the worst kind have none. While law governs them, regulates them and inspects them for the common good, it does not compel anyone to deposit in them, borrow money from them or use them in any way. If they are not wanted in any community, they can be abolished without the aid of law or politics. They are a tool of civilized society. They would exist if our standard of value were like the Rock of Ages, or if it fluctuated every hour. They would handle any form of currency which was current money with the merchant—from red feathers to minted coin.

It is characteristic of the American mind that it punctures its own fallacies. The banker in the abstract, who has been so pursued in political discussions, has been found to be the banker in the concrete, who has duties and ways of life as simple as those of the village lawyer, doctor, preacher or teacher. He is society's treasurer, a practical business expert, a clearing agent of the purchases and sales in a community, a dispenser of credit, an underwriter of every loan he makes, a partner with all his debtors, and a guarantor to all his depositors. The value of a banker's assets is so related to the welfare of the community with which he deals that he seeks in every way to promote its highest interests. He spends his time deep down in the affairs of common life. He is at the nerve center of industry and feels every pulsation of the life about him. His strength is in the depth of faculties that involve patience, courage, self-reliance, decision of character, keenness of insight and sagacity in judgment. His business is all of the workaday world, and is one long dead-pull upon talent, caution and perseverance.

It is said that the banker is one of the creditor class—a high priest in the Sanhedrim of creditors. He is a creditor and he is a debtor. He tries harder to increase his debts than the most energetic borrower. He owes in more directions than any customer. He owes for his capital. He owes for his surplus. He owes for his undivided profits. He owes for collection items, less as large a fraction as the business will stand, and he owes for all his deposits. His stockholders give him time to pay them their money. The collection items are paid promptly for sufficient consideration. If there is no consideration, the money is kept until the par point is reached, and that takes time. The deposits are due on demand, and it is the good banker's pride to increase them daily. If there is a conflict between the creditor class and the debtor class, the banker must either be neutral or follow modern instances, and rapidly change his party. He can usually hold his own as a creditor, if, as a debtor, his class enjoys its full privileges. When he ceases to be a debtor he does not hold much of a rank as a creditor. Therefore, as between the debtor and creditor, he tries to be a bi-partisan. But debtor he is, and prefers to be at the bottom, for then creditor he may freely become.

Is banking a trade or a profession ? That depends upon the banker. The man who worms along in a narrow groove gets a fixed vision and a contracted brain, and becomes a shopkeeper of money. To one of wider view, the function takes on the dignity of a profession. The field of usefulness is wide. The range of activity is great. To analyze acounts, to read markets, to understand aright the tides and the cross currents in the habits of money, to judge human nature, to detect the approaching financial storm, to guess the crisis in its passage, to arrange maturities, to sharply define commercial credits, to fortify against speculative borrowings, to steer clear of real estate, to stubbornly hold assets at the melting point against the temptation of fixed or slow investments, to remember that the best as well as the worst market has a to-morrow, to know the paying value of a goodly amount of cash, to be able to give his duty the benefit of every doubt, and to have the courage not to take more than the ordinary risks of business, is to know a banker's primer. Success in banking requires time, patience and unending industry. Years of driblets make a surplus. One loss eats up the result of a multitude of transactions, and draws in its train days and even nights of care. The banker who never makes a loss may exist, but his existence is doubtful, and his education is incomplete. Moreover, he never has had the pleasure of seeing the dead come to life out of the musty corner of the portfolio of protested bills.

It is harder to make banking pay than most people think. The tendency of our profits to diminish is the natural incident of the competition of loanable capital, and must be reckoned with as a factor in the future of our business. The net earnings on the money invested in banking, in capital and surplus, does not exceed, as a whole, six per cent. The net earnings in the year ended June 30, 1897, on the capital and surplus of the National banks, were 5.4 per cent., and in twenty-eight years the average net earnings on the capital and surplus of the National banks have been 7.8 per cent. Since the beginning of the National bank system 5,095 banks have been organized, of which 3,617 are in operation. There have been only 368 failures among National banks in thirty years, so that more than a thousand banks have liquidated and paid all claims, the inference being that they could not make the business pay.

We might as well make public confession that we are agents of the money power. That money power is lodged not in the hands of the few, but in the splendid body of common people composing the Republic of the United States. The National banks are owned by 281,225 shareholders. Of these 101,944 are women. The average investment of each shareholder is $2,250. Over sixty per cent. of the shareholders of National banks own ten shares or less. The State bank statistics would probably show a more scattered ownership. The number of depositors runs into the millions. There is no syndicate so strong as to dictate the policy of the banks of this country, or to interfere with the dealings between a bank and its regular customer.

THE EXTENSION OF BANKING FACILITIES.

We often hear that there is a lack of banking facilities in certain parts of our country. As bankers we should know about this, and explain the reason. There is no doubt of the fact, but there is a twin fact to it, which is, that where banking facilities do not exist, conditions for profitable banking do not exist. The complaint comes from agricultural regions. Here the crops that require money are planted at the same time, and they are marketed at about the same time. The customers of a bank would deposit money at a time when there was no demand for it, and withdraw it when loans were needed. A bank must profitably employ its funds all the year, or banking will not pay expenses. Small banks are not the remedy. They cannot exist where industry is not diversified to some degree, so that money may be kept out in the different seasons. In Canada the branch bank system meets the want, and it would do so in this country, giving a better distribution of loanable capital and an interest rate more nearly uniform.

BETTER INFORMATION ABOUT CREDITS.

One of the lessons derived from our last period of trade depression is, that bankers must reduce credits to a more scientific basis, and get into close and accurate touch with the affairs of dealers. The credit men of mercantile houses, who give credit in goods as we give credit in money, have organized in a national association, to bring about greater accuracy in information and uniformity in statement. We have seen how men can conduct their business with eyes shut to the changes going on about them. They do not begin in time to adjust themselves to economic changes. Their mistake is apparent when it is too late. Who can ever estimate the revolution in the business of individuals, caused by the popular use of the bicycle ? It changed fashions, affected habits of life, and worked damage to many trades, so that men confronted losses from an unexpected cause without doing anything to hurt their credit, in the ordinary sense. Every banker is interested in promoting the use of uniform credit statements. The mercantile agencies are seeking to improve their service, and we can do much to assist them. We have to go into partnership with every man to whom we extend credit. Our interest return is always small, compared to the money advanced. We have a right to full information intelligently presented. If dispensers of merchandise credits insist upon statements, the dispensers of money credits, whose return is much smaller, should do the same. The influence of this Association should be freely given to the movement of the National Credit Men's Association, to have merchants file detailed statements with the mercantile agencies, and to have the latter indicate in their reports whether or not ratings are based on such statements.

INCREASE IN THE PRODUCTION OF GOLD.

Every banker has his eye on the enormous gold production of the world, in which Colorado is taking such a commanding position in this country. From figures at hand it appears that the world's gold production for 1897 was $240,000,000, coinage value, and that in less than ten years the annual yield has doubled, and is now greater than the combined production of both gold and silver was ten years ago. If the increase continues we have a bigger question than we now appreciate. The estimate of the gold production for 1898, based on the large returns already in, is $275,000,000. The gold production of Colorado last year placed her first in the list of gold-producing States. Her gold product this year will probably exceed in value the silver product of 1890, the year the Sherman law was passed.

The money stock of gold on January 1, 1894, in the whole world was $3,965,900,000—the supply accumulated since gold began to be used as money. The five years' production since, including the estimate for 1898, will, on January 1, 1899, be $1,097,000,000, coinage value, or twenty-seven per cent. of the accumulated gold money stock of the world as it stood just five years before. Of course, a large amount of the annual product of the gold is used by the industrial arts; but, making full allowance for this, the fact remains that the money stock of gold has increased more than twenty per cent. in five years.

In the past we have devoted our conventions for the most part to listening to learned economic essays. Our members traveled far, and sat silent to listen. They went away with a mass of arguments and facts and statistics to digest, and many of them never came back. In recent years, we have sought to draw upon the experience, practical thought and philosophy of our own members--in short, to develop home talent—and we are much better satisfied. We are practical bankers, dealing with conditions as they are; and never expect to be ideal bankers dealing with conditions as they might be. This business-like tendency in our Association's affairs has met with hearty approval. We hope, in this Convention, that the individual member who has any question bothering his brain, will make a demand draft upon us all. We are here to help one another all we can; to discuss practical questions; to get up a cross-fire of question and answer upon points of law and practice; and to get the benefit of many minds.

WORK OF THE PROTECTIVE COMMITTEE.

One of the practical efforts of this Association is the work of its Protective Committee in making a common cause for all its members against bank criminals. The policy is well understood—especially by those who are expert enough in burglary, forgery and swindling methods to be dangerous—and the little metal sign, "Member American Bankers' Association," has come to have a dread meaning to the criminal class. A few figures will tell more than many words: Only one member of this Association has lost money through burglary since February, 1895. The loss to members through burglars and sneak thieves since the protective policy was perfected has been $8,875. The loss to non-members, so far as reported, exceeds $200,000.

UNIFORM COMMERCIAL LAW.

We have another practical purpose in the hands of an efficient committee —that is, to get uniform laws in all the States on commercial paper. For many years we have been working to abolish days of grace; and although the end of this effort is not yet in sight, we have made satisfactory progress.

Grace is now eliminated from custom in:

California,	Idaho,	New Jersey,	Pennsylvania,
Colorado,	Illinois,	New York,	Utah,
Connecticut,	Maryland,	North Dakota,	Vermont,
Dist. of Columbia,	Massachusetts,	Ohio,	Virginia,
Florida,	Montana,	Oregon,	Wisconsin.

Grace is allowed on sight drafts only in:

Maine,	New Hampshire,	Rhode Island.

Grace is generally allowed in:

Alabama,	Iowa,	Missouri,	South Dakota,
Arizona,	Kansas,	Nebraska,	Tennessee,
Arkansas,	Kentucky,	Nevada,	Texas,
Delaware,	Louisiana,	New Mexico,	Washington,
Georgia,	Michigan,	North Carolina,	West Virginia,
Indiana,	Minnesota,	Oklahoma Ter'y,	Wyoming.
Indian Territory,	Mississippi,	South Carolina,	

The confusion of statutes in the different States has long been perplexing to business men. As clearing agents of the merchant and manufacturer, bankers come directly in contact with these conflicting laws. It is a long and tedious task to reconcile the differing State policies; but this Association has, I hope, an endless career; and if a steady purpose energetically promoted should give consistency and uniformity to the laws of the different States affecting negotiable instruments, the result would be of lasting benefit.

DEMAND FOR PRACTICAL RESULTS.

There is clearly a demand for practical results from all bankers' associations. The closer contact of bankers in group or State meetings has given point and vitality to banking talent. Questions of common interest are opened out for discussion, and are dealt with in crisp, concise language. Bankers are trained to get at the practical end of a problem. As a class they show much resource, skill and ability in doing so. The tendency in the associations of the various States is to do something. There has been a controversy with the express companies about rates on money packages. The plan of using the registered mail, with an insurance policy against loss, was energetically promoted in the various associations, and the express rates have come down. The express money-order has also received attention; and in Georgia, in Texas, in Arkansas, and also in Canada, the banks, through their associations, have gone practically to work to meet the competition by a system of reciprocal drafts. The clearing-house idea in interior districts is under discussion. The ever-present burden of bank taxation is being handled with more energy; credit-information plans are being talked about; and while the war-revenue tax is operative, there is a new topic to absorb much attention. There are numerous State questions, involving obsolete commercial practice —some of them relics of legislation when banking was in its crude infancy— which, if practically stated and energetically pursued, could be remedied.

BANKERS MUST BE UP WITH THE TIMES.

As bank profits decrease, and we all see that tendency as the interest rates get lower, a higher range of skill will be required in our business. Just as much close hard study is being given to business to-day as to any profession. Lord Eldon chose the stupidest man in London for his banker, and was sorry he could not find one more stupid, but that was a long time ago. It used to be said that if a man could tell the difference between a mortgage and a bill of exchange he could go into the banking business. We have found out in this country the costliness of the experiment of running a bank as a side occupation to another business. We have to be attentive to every detail to get a good result. A bank either goes ahead or falls behind; it will not run itself. Then, too, bankers, like other successful business men, must study the economic aspects of things about them. These are becoming more complex as civilization advances. The hundred hands of Science are mixing in business all of the time, replacing the old with the new. An adjustment to one set of conditions is scarcely made before a new set of conditions begins to develop. The tide flows in, and the rocks in the channel are lost to sight; but they do not cease to exist. We cease to think and to talk about them. When the ebb tide runs they reappear. It is our business as bankers to keep our charts corrected to date and to watch the tides. Elusive, subtle, evasive and perplexing as the principles governing the financial affairs of the world are, they nevertheless work with the certainty of any law of nature. It is our duty to study the business affairs of our country, to isolate and search out to the roots the complex economic phenomena, and to tell the story as simply as we can. What better forum is there for this than a bankers' convention?

THE PRESIDENT: We will now hear the annual report of the Secretary of the Association, Major James R. Branch, of the United States Volunteers. (Applause.)

SECRETARY'S REPORT.

NEW YORK, August 15, 1898.

American Bankers' Association, New York:

GENTLEMEN:—I have the honor to submit the following comparative report for the fiscal years of 1897 and 1898:

1897.

Cash balance membership account August 31, 1897, including $37,92[illegible] of drafts subject to payment,....	$46,524.87
Members joining from September 1, 1896, to September 1, 1897.......	1019
Paid members September 1, 1897...	2,850
Annual membership dues paid for year ending August 31, 1897......	$39,745.40

1898.

Cash balance membership account August 15, 1898..	$20,521.81	
Drafts deposited for next year's dues subject to payment.................	44,765.00	$65,286.81
Members joining from September 1, 1897, to August 15, 1898..........		783
Paid members August 15, 1898......		3,385.00
Annual membership dues paid from September 1, 1897, to August 15, 1898........................		$46,166.67
Total dues paid during year ending August 31, 1897.....................		$39,745.40
Being an increase of................		$6,421.27

Fifteen thousand dollars were transferred as per order of the Executive Council from Membership to Protective Fund Account, and the Treasurer holds $14,000 Government bonds, market value of which is $15,750.

There were 248 members lost from failures, liquidation and withdrawal from the Association, decreasing the membership at the beginning of the fiscal year to 2,602.

Many letters have been written, and circular letters have been sent from this office, to every bank, trust company and private banker in the country. This, with the help of the local officers of the Association, has resulted in a gain of 783 members, who joined from September 1, 1897, to August 15, 1898, making a net gain over last year's total membership of 535.

The roll now embraces 3,885 members, with combined capital and surplus of	$1,049,639,003
With combined deposits	3,840,709,491
Total	$4,890,348,494

These figures do not include the capital and deposits of 362 members, who are private bankers, and make no statements.

The Association is not only steadily increasing in numbers, but in practical and far-reaching benefits to its members and the country at large. Part of this progress is owing to the fact that at present not a single discord mars the steady beat or harmony of our advancing steps. This has allowed the officers throughout the country, by united efforts, to place the American Bankers' Association on a higher plane than it has ever reached before. Very respectfully,

JAS. R. BRANCH, *Secretary*.

THE PRESIDENT: If there are no objections the report will be received and printed in the minutes.

The Annual Report of the Treasurer of the Association will now be presented by Mr. Walker Hill, President of the American Exchange Bank, St. Louis, Mo.

TREASURER'S REPORT.

To the American Bankers' Association: ST. LOUIS, MO., August 15, 1898.

Gentlemen—I have the honor to submit the following report of receipts and disbursements since the beginning of the current fiscal year, viz., September 1, 1897:

GENERAL MEMBERSHIP ACCOUNT.

Balance on hand, September 1, 1897		$46,524.87
Balance returned by Secretary account expenses Detroit Convention		123.50
Received interest on bonds		700.00
Received proceeds of sale of safe		10.00
Check redeposited, Sept. 30, 1897, interest on bonds		175.00
RECEIVED THROUGH SECRETARY'S OFFICE.		
Annual dues paid by members from September 1, 1897, to August 15, 1898:		
1 at $6.67	$6.67	
146 " 5.00	730.00	
39 " 7.50	292.50	
393 " 10.00	3,930.00	
181 " 15.00	2,715.00	
16 " 20.00	320.00	
7 " 30.00	210.00	$8,204.17
From members who paid dues in advance to September 1, 1899, as follows:		
18 at $10	$180.00	
20 " 15	300.00	
4 " 20	80.00	
5 " 30	150.00	710.00
Drafts for membership due for fiscal year, beginning September 1, 1898, deposited in the Chase National Bank, New York, subject to deduction of amounts of drafts that may be returned unpaid		44,765.00
Total receipts		$101,212.04

DISBURSEMENTS.

Disbursements as per accompanying vouchers		$33 205.23
Draft charged back account dues for year 1897-98 as follows:		
115 at $10	$1,150	
80 " 15	1,200	
11 " 20	220	
5 " 30	150	2,720.00
Balance on hand at close of business, August 15, 1898		65,286.81
		$101,212.04

STANDING PROTECTIVE ACCOUNT.

Balance on hand August 1, 1897	$3,002.31
Transferred to this account from General or membership Account as instructed by resolution of Executive Council adopted August 18, 1897	15,000.00
Refund of expenses advanced	293.12
	$18,295.43
Disbursements to August 1, as per vouchers accompanying	16,645.59
	$1,649.84

The Treasurer holds for the Association, as an investment, $14,000 par value United States Government bonds, five per cents. of 1904, valued at $15,680.

(Signed) WALKER HILL, *Treasurer.*

THE PRESIDENT: This report will also be received and printed in the minutes.

The report of the Auditing Committee will now be presented by Mr. A. G. Campbell, President of the First National Bank, of Natchez, Mississippi.

AUDITING COMMITTEE'S REPORT.

DENVER, Colo., August 22, 1898.

To the American Bankers' Association, Denver, Colorado:

Gentlemen—The report of the Treasurer of the Association and the financial report of the Standing Protective Account have been examined by us, and we find the report to agree with the cash book.

The total receipts as shown by the cash book being $101,212.04, and the vouchers of the disbursements amount to $35,925.23, leaving a balance as submitted at the close of business, August 15, 1898, of $65,286.81.

STANDING PROTECTIVE ACCOUNT.

We have examined the report of the Standing Protective Account showing:

Balance on hand, August 1, 1898	$3,002.31
Receipts and disbursements	15,293.12
Total	$18.295.43
Disbursements to August 1, 1898	16,645.59
Leaving balance on hand, August 1, 1898	$1,649.84

Also we have examined the vouchers of the Protective Committee and find that they agree with the above account.

(Signed) A. G. CAMPBELL,
BRADFORD RHODES,
M. B. LOYD.

THE PRESIDENT: This report will also be accepted and printed in the minutes.

Next in order is the report of the Protective Committee, which will be presented by Mr. Caldwell Hardy, Cashier of the Norfolk National Bank, Norfolk, Virginia.

Report of the Protective Committee.

The Protective Committee begs to submit the following report for the third year of the work committed to its care by the Executive Council:

Balance on hand per Treasurer's Report, August 1, 1897	$3,002.31	
Appropriated by the Executive Council	15,000.00	
Received refund, March, 1898, expenses advanced.	293.12	
		$18,295.43
Paid account expenses, 1896–1897	$432.68	
Paid account expenses, 1897–1898	16,212.91	
		$16,645.59
Total receipts	$18,295.43	
Total expenditures	16,645.59	
Balance August 1, 1898		$1,649.84

The work of the Protective Committee in its policy and detail is now well known to the members of the American Bankers' Association, and it does not seem necessary to repeat what has been stated at the previous conventions. The success of our effort has been beyond anything which could have been reasonably expected at the beginning, and the appreciation of the protective feature of the Association, as a practical return for the annual fee, has been shown by the noteworthy increase in the membership. The paid membership of the Association in 1894–1895, as rendered at the Atlanta Convention October, 1895, showed 1711 members, a smaller membership than that of the previous year. At that Convention the Protective Committee rendered its first report, and gave widespread notice of what it was undertaking to do for the banks that joined the Association. Steady increase has followed in the membership from that time until this Convention, as is shown by the following figures:

Paid membership of the Association	1894–1895	1,711
" " "	1895–1896	2,188
" " "	1896–1897	2,818
" " "	1897–1898	3,350

Starting out to throw a line of protection around the members of the American Bankers' Association, the Protective Committee secured the services of the Pinkerton National Detective Agency, and instructed it to get information in respect to the movements of all the professional bank criminals known to the police of the various cities, and to give to those who were known to follow the occupation of swindling or robbing banks distinct warning that the Association had entered upon a crusade against them for the protection of its members, and that, under the rules laid down, no crime would be compromised or condoned, and no expense spared to punish criminals to the full extent of the law. The outcome of the protective policy during the time it has been actively conducted by the Association, is shown in the following statements:

1. From May 1, 1895, to August 1, 1898, members of the American Bankers' Association suffered by burglars, robbers and sneak thieves, a total loss of $8,875.

2. From May 1, 1895, to August 1, 1898, banks non-members of the Association suffered, in the same way, reported losses of over $200,000.

3. So far as can be ascertained there is but one organized band of professional criminals now operating on the banks of this country, and up to this time it has not attacked a member of the Association.

4. In the past year the only burglary committed on a member of the Association since February, 1895, occurred at Boelus, Neb., October 5, 1897. Otis Anselon and

Otto Warwick were arrested for this burglary, and have been sentenced to three years and six months' and eight years' imprisonment respectively.

A most significant contrast, aptly illustrating the comparative immunity enjoyed by the members of the American Bankers' Association from burglars and the like, is found in the fact that early in 1895, before the purpose and power of the new organization were thoroughly realized and its influence established, members lost heavily. A comparison of the total reported losses shows that:

In the four months from January 1 to May 1, 1895, members lost by burglars and robbers $23,706.

In the twenty-seven months from May 1, 1895, to August 1, 1898, members lost by burglars and robbers $8,875.

The above figures do not include losses suffered by members through forgeries. Statistics in respect to these are difficult to obtain. The broad effect of the protective feature is shown by the fact that in 1894, before this Association began the protective work, the banks of the United States lost $229,261 from burglary and forgery, and that in the year ending August, 1898, the members of this Association lost through burglary $1,400, and through forgeries of all kinds, amateur and professional less than $15,000.

The Committee has, during the year, made an important demonstration to the professional bank criminals, which it is confident will not be forgotten, in accomplishing the extradition from London, England, of Charles Fisher. Fisher is an habitual thief and forger, notorious on two continents. He is credited with originating, in this country, the scheme of rifling letter-boxes, altering the stolen checks and presenting them at the banks, and has organized a number of bands for this kind of work. In 1895 he was arrested at Baltimore and transferred to Cincinnati, charged with attempting to pass at the First National Bank a check which he had raised from $15 to $1,500. He escaped in November, 1895, and made his way to London, England, where he was located in May, 1897, by the detective agents of the Association. He was transferred to Cincinnati by the American Bankers' Association and the banks of Cincinnati, and on December 18 pleaded guilty and was sentenced to three and one-half years' imprisonment.

The Committee takes pleasure in reporting the arrest and conviction of Alonzo J. Whiteman, formerly State Senator of Minnesota, whose tendency to bank swindling has for a long time given the Committee concern. Whiteman had been director of a bank, and was familiar with the details of banking practice. In May, 1895, he was arrested in New York and transferred to San Francisco on requisition from California, charged with forging and passing a check for $500. He was convicted and sentenced to nine years' imprisonment, but secured a new trial which resulted in his discharge from custody November 9, 1896. On March 6, 1897, the agents of the Association accomplished his arrest in New York for swindling a New York bank out of $580 on a fraudulent check, but he managed to escape conviction owing to conflicting evidence. On July 9, 1898, at Chicago, Ill., he was sentenced to one year's imprisonment and a fine of $2,000 as a result of the efforts of the agents of the Association, who accomplished his indentification as the man who, early in June, 1898, had swindled the Grand Pacific Hotel Company with a fraudulent Cashier's draft of the Lawrence National Bank, Lawrence, Kansas, on the First National Bank of New York for $250. A supply of blank Cashier drafts, secured from a New York lithographer, was found in Whiteman's possession.

We have referred, heretofore, to the work of the Committee in breaking up the important forgery band headed by Charles Becker and James Cregan, and to their trial in San Francisco where, in 1896, both Becker and Cregan were convicted and were sentenced to imprisonment for life. After two years of contention in the courts, a decision has been rendered in favor of Becker and Cregan setting aside their conviction and ordering a new trial. The Committee is prepared to continue the prosecution of these dangerous criminals, and it will do so.

Four special circulars have been issued during the past year, as follows:

On November 23, 1897, a special circular was issued to the banks and police departments throughout the United States with a view to causing the arrest of W. H. Geer who had swindled a member of the Association at Salt Lake City, Utah, and was then operating extensively with bogus certified checks. Almost immediately Geer went into hiding and ceased operations for a time. Later he renewed work and was arrested by the officials at Richmond, Va., charged with obtaining money under false pretenses, and was sentenced to sixteen months in the county jail. Warrants for further prosecution have been secured and lodged pending the expiration of his sentence.

On November 26, 1897, a special circular was issued to the Chicago banks warning members of the Association of suspicious certificates of deposit which were being floated by a private bank in Indiana and disposed of by agents in Chicago. Several Chicago merchants were swindled by this paper, but the warning appears to have prevented loss to the banks.

On January 11, 1898, a special circular was issued to the banks throughout the United States in order to accomplish the arrest of T. J. Hogan and two accomplices, then engaged in swindling banks with checks stolen from the mail and altered. Hogan was arrested at Columbus, O., February 14, 1898, and on the 17th James Wallace and Frank Baxter were arrested at Chicago. Early in June the men were sentenced to five years each in the Columbus, O., penitentiary.

On February 15, 1898, a special circular was issued through sections of the West offering a reward for information leading to the arrest of Dr. S. T. McClung, alias Geo. O. West, who had been defrauding Colorado banks with worthless checks bearing the forged indorsements of local physicians. He was arrested at Leadville, Col., on May 15, through the vigilance of the officers of the Carbonate National Bank, and was identified from a copy of the circular forwarded by the agents of the Association. On August 3, 1898, McClung pleaded guilty and was returned to jail pending sentence.

Since August 1, 1897, forty-seven circulars of General Information have been issued as warning bulletins to members of the Association, giving brief accounts of the methods of active swindlers. These have been accompanied by twenty-four photographs and descriptions.

The prosecution of the protective work during the year has involved the consideration of two thousand reports, letters, etc., relating to the operations of criminals in every section of the country, and has exemplified more clearly than ever the fact heretofore noted in our reports, that the more dangerous and expert criminals have shown a disposition to avoid the banks which are members of this Association, and the Committee has had to deal with the common grade of swindler, whose bungling work very shortly ends in his arrest.

FORGERS AND SWINDLERS.—The agents of the Association have generally investigated and reported on the operations of criminals, involving over four hundred cases of forgeries and swindles during the year ending August 1, 1898. Of seventy-eight criminals who swindled, or attempted to swindle, members of the Association since August 1, 1897, thirty-three have been placed under arrest and twenty-five have been convicted.

BURGLARS AND THIEVES.—The figures revised by our latest reports show that during the year ending August 1, 1898, forty-three banks not members of the Association have been attacked by depredators and suffered a total loss of $90,150. During the same period members of the Association lost $2,400. In one instance, as stated above, $1,400 were taken by burglars, who, in consequence thereof, were arrested and are now serving sentences of three and one-half and eight years respectively. In the other case a man who entered the bank ostensibly to make telephone repairs, walked off with an unguarded package of $1,000.

The Protective Committee has consummated during the past year a contract with its detective agency on fair and liberal terms, approved and ratified by the Executive Council. Under the terms of the contract the agency has agreed to provide the following service:

"To keep themselves informed as thoroughly as possible as to the methods and movements of those who make a business of swindling or robbing banks, such as forgers, bank sneaks, burglars, bank confidence men, presenters of forged paper and letter-box thieves.

To keep members of the Association informed, from time to time, at least once every three months, of such general facts as may warn them as to men and methods and stimulate their vigilance.

To send to members such photographs of bank criminals as may be deemed useful, and to provide them with *facsimiles* of specimens of the handwriting of forgers or swindlers who are systematically at work.

To seek, by correspondence or personal interview with the proper authorities, to have such criminals apprehended, securely incarcerated and indicted, and released only on sufficient and reliable bail. To seek, by like means, to have such persons successfully prosecuted, and after conviction to oppose all petitions for their pardon.

To secure, by like means, further prosecution and punishment of such criminals for other known crimes which they may have committed."

In accordance with the terms of the contract requiring the detective agency to keep members posted, a series of information bulletins, beginning with the issue of August, 1898, has been designed by the Protective Committee, to convey to members from time to time items of information culled from the mass of matter continually piling up in the files. These bulletins will contain pictures and descriptions of active criminals. Each issue should be carefully preserved. With the first issue of the pamphlet was sent a little book entitled "The Confidential Book of the Protective Committee" which discusses in a general way the methods of professional criminals, and furnishes precautionary advice and instructions.

Following is the detailed Financial Statement of Protective Committee from close of fiscal year July 31, 1897, to August 1, 1898:

RECEIPTS.

Balance on hand August 1, 1897	$3,002.31
Appropriated by Executive Council	15,000.00
Refunded March, 1898	293.12
	$18,295.43

EXPENDITURES.

Paid Pinkerton, expense incurred prior to August 1, 1897	$482.68
Paid Pinkerton, expense incurred August 1, 1897 to August 1, 1898	14,636.96
Salary and expenses, clerk to Protective Committee	1,437.20
Paid Stewart & Co., 1,000 aluminum plates	120.00
Paid American Bank Note Co., 500 printed slips	3.75
Petty cash	15.00
Balance August 1, 1898	1,649 84
	$18,295.43

The Committee desires to repeat the recommendation heretofore made, that members should use the greatest caution in the employment of printers and lithographers, and that they should insist upon care on the part of those whom they employ in disposing of surplus blank checks and drafts.

In conclusion the Committee begs to express its sincere thanks to all members of the Association who, when called upon, have endeavored to facilitate the conduct of the work involved in the protective feature.

Appended hereto is a copy of the annual report of the detective agency employed by the Association.

Respectfully submitted,

PROTECTIVE COMMITTEE
AMERICAN BANKERS' ASSOCIATION.

THE PRESIDENT: The report of the Executive Council will now be presented by Mr. Alvah Trowbridge, Vice-President of the National Bank of North America, of New York city.

REPORT OF EXECUTIVE COUNCIL.—ALVAH TROWBRIDGE, CHAIRMAN.

Mr. President, Ladies and Gentlemen—Those of you who are not habitual attendants at our meetings are learning to-day something of the character and aims of the American Bankers' Association. From the necessities of a quarter of a century ago came this organization, which was then only a dim prophecy of what it would be to-day. Bankers then thought there were great questions to be decided. So we think now. Great arguments have followed, great principles have been discussed, and the platforms of our conventions have resounded with the eloquence of masters in oratary. What have we settled ? This: that bankers generally are good men and true; that better acquaintance begets confidence in one another, and confidence has led us to join in better methods, and the better methods have tended to increase our business and decrease our risks.

During the first eighteen years of the Association we were discussing the larger problems of finance and gaining a little in membership until we reached 1,500. In the next four years we added to this until we had 1,900 members. Our present membership is 3,385.

What has done this ? Our discussions ? No, but our confidence in each other and the manliness of man. We have taught ourselves to live and let live, and that in union there is strength. We have not achieved great things in the way of politics, but we have done a work for which every member is proud and thankful. We have put in practice the golden rule. Safe-makers tell you that burglars break every make of safe but theirs. Manufacturers of patent safety papers and books tell you that forgers can get ahead of you on every pattern and form except theirs. But I tell you that the Protective Committee of the American Bankers' Association is better than them all. (Applause.) As you have heard from the report of the Protective Committee, during the last three years our membership has been practically exempt from losses, while bankers outside the Association have lost through rascals nearly two hundred thousand dollars in the same time. You may say, why do not all bankers join the Association ? Why don't every man insure his life ? Why don't every child learn to swim ? Let every member send to the Secretary the names of three new members before he leaves this Convention, and the thing is done. (Applause.)

The great additions to our membership in the last three years are mostly due to the very efficient work of our Secretary, who having a wide acquaintance among bankers has used his efforts and his own strong personality for the Association. When the war broke out he became infected with the patriotic spirit and enlisted in the army. This is he here (pointing to the

Secretary). The Executive Council being also patriotic granted him leave of absence, and he is now Major of the Seventh U. S. Volunteers. The work of his office is well done, and is in good order. (Applause.)

THE PRESIDENT: If there is no objection, the report will be received and printed in the minutes.

ALVAH TROWBRIDGE, of New York city: Mr. President and Gentlemen—A meeting of the Executive Council was held last evening at Brown's Palace Hotel, at which some business was considered, which, as Chairman of the Council, I was directed to present to the Convention to-day. The first was a communication from the National Association of Freight Agents, under date of August 12, 1898, requesting us to appoint a committee to meet a similar committee from their association. The letter explains the reason for asking the appointment of the committee, and I will state what it is. They request that a committee from us meet their committee for the purpose of conferring relative to the establishment of a more convenient system of bank traffic in connection with freight shipments.

I now move, Mr. President, that such a committee be appointed.

JAMES R. EDWARDS, of Baltimore, Md.: I second the motion.

THE PRESIDENT: Gentlemen, you have heard this motion. As many as are in favor of the motion will manifest by saying aye—opposed, no. Carried.

ALVAH TROWBRIDGE: The Executive Council recommend the passage of the folowing resolution:

Resolved, That the American Bankers' Association earnestly favors the appointment under the authority of Congress of a commission to study the financial system in Cuba, Porto Rico, the Philippine Islands, and the Hawaiian Islands, and to report upon the subject of what special banking legislation is needed to facilitate commerce in any new territory which the United States may acquire.

WILLIAM T. HACKETT, of Easton, Pa.: I second the adoption of that resolution.

THE PRESIDENT: All in favor of the adoption of the resolution will please manifest it by saying aye—opposed, no. Adopted.

ALVAH TROWBRIDGE: The Executive Council recommend the adoption of the following resolution:

Resolved, That a committee be appointed to consider and report upon the advisability of a bankers' standard form for warehouse receipts and bills of lading.

THE PRESIDENT: Gentlemen, what is your pleasure with reference to this resolution ?

WALKER HILL, of St. Louis, Mo.: I move its adoption.

T. P. DAY, of Pittsburg, Pa.: I second the motion.

THE PRESIDENT: All in favor of the adoption of this resolution will manifest it by saying aye—opposed, no. Adopted.

ALVAH TROWBRIDGE: The Executive Council recommend the adoption of the following resolution:

Resolved, That a committee of this Association be appointed to inquire into the rates charged by surety companies for surety bonds, and to recommend a standard form of policy, and to consider any plan or plans that may be submitted.

CALDWELL HARDY, of Norfolk, Va.: I move the adoption of that resolution.

A. C. ANDERSON, of St. Paul, Minn.: I second it.

THE PRESIDENT: Gentlemen, you have heard the resolution recommended by the Executive Council. Is it your pleasure that it shall be adopted ? All in favor of it will manifest it by saying aye—opposed, no. Adopted.

ALVAH TROWBRIDGE: The Executive Council also recommend the adoption by the Convention of a suitable resolution to be transmitted to the President of the United States, congratulating him and the army and navy on the successful termination of the war with Spain.

THE PRESIDENT: A resolution in the proper shape will be presented to the Convention for its consideration later.

We will now have the Report of the Committee on Uniform Laws, which will be presented by Mr. Frank W. Tracy, President of the First National Bank of Springfield, Ill. (Applause.)

REPORT OF THE COMMITTEE ON UNIFORM LAWS.

Some twenty years ago, as I was sitting in the House of Representatives of the Illinois Legislature watching its closing hours, a member who had never spoken during the entire session arose to address the House. As he was a new speaker, every one was immediately on the *qui vive* to hear what he had to say, and I confess his speech made such an impression on my mind that I have not forgotten it to this day. He said: "Mr. Speaker, I am a farmer. I used to get the newspaper and sit on my porch and read with great awe of the proceedings of the Illinois Legislature. I made up my mind I would try and become a member of that august body. I succeeded in that ambition. I have been here the entire session. Have never inflicted you with a speech. Have always voted 'yea' or 'nay.' Have watched with great interest the method of making laws, and I have come to the conclusion that the making of laws is like the making of sausages—the less you know about the process the more you respect the result."

Your Committee on Uniform Laws has been before many Legislatures the past winter, and we think after this experience that our farmer friend was mistaken in his estimate of legislation. We have found that the ruling minds of a legislative body are a careful, painstaking studious set of men, who are anxious to make the best laws possible for the government of the people. Sometimes a selfish interest will override this best judgment by methods which will carry the Legislature off its feet, but in the long run that error will be corrected, and a true judgment will be rendered.

The Negotiable Instruments Law which we are endeavoring to have passed is very fortunate in having been tried for sixteen years in Great Britain and all its colonies; in having been endorsed by experts in law in thirty of the States of the Union. Indeed, it has been subjected to all the criticism which the best minds of the legal profession could bring to bear, and yet has come out unscathed. In spite of this, we find in every Legislature some wise man who wishes to offer some amendment. They cannot comprehend the fact that we are arriving at uniformity in all the States. One prominent banker sent us a long opinion given by his attorney upon the law. We made a careful examination of this opinion, and found the attorney was endeavoring to make this uniform law correspond to the laws of the State in which he lived.

Much opposition has been expressed to the law because it abolishes days of grace; and, astonishing to say, this opposition manifests itself more strongly in the New England States than anywhere else. This was astonishing to your Committee, as we had always regarded this section of the Union as the most progressive in matters of financial legislation. That long arguments should be made against the abolishing of such a relic of stage-coach days in a country covered with railroads is a marvel indeed. We are pleased to say, however, that this opposition did not come from either the bankers or the lawyers.

The number of States holding sessions of their Legislatures last winter was few in comparison to the whole number. The only States in which we did any work were Maryland, Massachusetts, Ohio, Virginia, and Georgia. In Maryland, by the vigilant work of Hon. Lawrence B. Kemp, the assistance of the American Bar Association, and the Maryland Bankers' Association, the law was passed, and Maryland was enrolled on the roll of honor.

In Massachusetts, there being no bankers' association, the American Bar Association took the initiative in introducing the law. The want of a bankers' association was seriously felt, as we had no auxiliary by which the bankers of the State could be rallied to the support of the measure. In this dilemma your Committee appealed to H. L. Burrage, Vice-President of the American Bankers' Association, and we found in him a tower of strength. Without his assistance the law could not have been passed. The opposition to the passage of the bill was simply because it abolished days of grace on sight drafts. We are happy to say the wise men of the State were not seriously affected by this opposition after they were shown the true value of this feature of the law.

In Ohio we introduced the bill, and our Mr. Griffith gave it his individual attention, and used every exertion to have it passed. At this session, however, politics was the ruling idea, and business had to yield. We have made decided steps forward, however, in having had the bill referred to a Commission on Uniform Laws to report to the Legislature which meets in 1900. It is confidently expected by Mr. Griffith that the bill will then be enacted into a law.

Virginia has also placed herself on the roll of honor. The bill was introduced, and through the indefatigable work of our Mr. Hardy it was passed. The American Bar Association and the Virginia Bankers' Association were in hearty accord and gave him much valuable assistance.

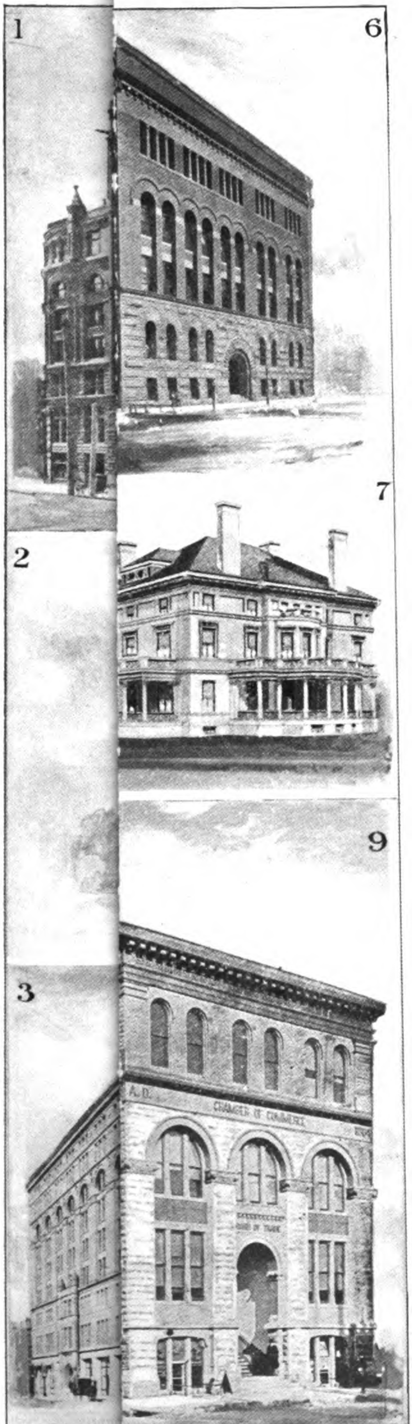
Georgia had but a short session of the Legislature, but our friends worked with good will. Mr. G. Gunby Jordan, Vice-President of the American Bankers' Association, took active charge, and through his efforts good progress was made. The bill was referred to a Commission of which W. S. Witham, member of this Association, is a member, and we confidently look forward to final passage through his valuable assistance.

The Legislature of Iowa met this winter, and your Committee made efforts to have the law introduced there, but the Iowa Bankers' Association, after fully discussing the matter, decided the time was not propitious for its passage. Therefore no action was taken. It is confidently believed, however, by the officials of the Iowa Association that at the next session of the Legislature the law can be successfully pushed.

In Kentucky, also, the bankers' association thought it inadvisable, under the peculiar condition of politics in the Legislature at that time, to introduce the bill, so it was postponed until the next session of the Legislature.

The bill was introduced into Congress as pertaining to the District of Columbia, and has passed the House of Representatives, has been acted on by a Committee of the Senate and reported favorably. It is now on the calendar and will undoubtedly be passed the coming winter.

The task of attempting to pass this law in all the States is one of Herculean proportions, but from the experience of the past winter your Committee believes it can be brought to a successful issue. It cannot be done without the enthusiastic support of all the bankers in all the States. Any indifference on their part begets indifference in the members of the Legislatures. Let me whisper a secret in your ears. All you have to do to pass this law in all the States is to overcome the indifference of the members of the Legis-



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lature. Give us ten men in every Legislature who are enthusiastic in support of any good bill, and we will guarantee that that bill is enacted into a law. We therefore ask the bankers of the States I name hereafter to get themselves enthused for the passage of the best law in its line that has ever been before a Legislature. See the members of the Legislature; inject enthusiasm into them; get their minds saturated with the idea of the good they will be doing to their constituents, and we believe before the close of this century this law will be on the statute books of almost all the States of the Union.

The following States hold session of the Legislature during the ensuing winter, and in all of them we hope the bill will be introduced and brought to a successful passage:

Alabama,	Kansas,	New Hampshire,	Tennessee,
Arkansas,	Maine,	North Carolina,	Texas,
California,	Michigan,	North Dakota,	Vermont,
Delaware,	Minnesota,	Oregon,	Washington,
Florida,	Missouri,	Pennsylvania,	West Virginia,
Idaho,	Montana,	Rhode Island,	Wisconsin,
Illinois,	Nebraska,	South Carolina,	Wyoming.
Indiana,	Nevada,	South Dakota,	

The roll of honor, being the States in which the Negotiable Instruments Law is now in force, bears the following names:

Connecticut,	New York,	Massachusetts,	Virginia.
Maryland,	Colorado,		

All honor to Colorado, one of the youngest of the States, but evidently one of the most progressive.

In conclusion, we believe our Association is to be greatly encouraged and congratulated upon the first year's results of the work of your Committee. We worked in five States only. The law was passed in three, and good progress made in the other two. There was no failure in any State. Should such results follow our work of the coming winter, we will have the law enacted in all the principal States in the Union. The remaining work will be easy.

As a final word, we again ask the members of the Association to give us their enthusiastic help the coming winter, and we are prepared to promise the best of results, with such support.

Respectfully submitted.

FRANK W. TRACY,
C. J. GRIFFITH,
CALDWELL HARDY,
Committee.

THE PRESIDENT: The report of the Committee will be received and printed in the minutes.

JOHN T. DISMUKES, of St. Augstine, Fla.: I would ask the gentleman to add Florida to the list that he has read, as such a law as he speaks of was passed by the last Legislature.

GEORGE Q. CANNON, Salt Lake City, Utah: I noticed in the list of States in which the Legislatures meet the coming winter that the State of Utah is omitted, and I simply desire to call attention to the fact that our Legislature will meet this winter.

PETER WHITE, of Marquette, Mich.: Mr. President——

THE PRESIDENT: The Chair reads under the ample brow of Mr. Peter

White, the President of the First National Bank, of Marquette, Mich., a desire to move that the Committee receive the thanks of the Convention, and be continued in its work.

PETER WHITE, of Marquette, Mich.: That is right. That is my motion.

THE PRESIDENT: Are you ready for the question ? As many as are in favor of the motion will manifest it by saying aye—opposed, no. Carried.

Ladies and Gentlemen, there is a local demand for your pictures. You are requested to assemble upon the Grant Avenue steps of the State House immediately after adjournment this morning and have your pictures taken—ladies and young men to the front. (Applause.)

WILLIAM T. HACKETT, of Easton, Pa.: Mr. President——

SECRETARY BRANCH: Will the delegates please give their names on rising, as it will help the stenographer out.

THE PRESIDENT: The gentleman who has just risen—the bald headed delegate, like your President—is Mr. William T. Hackett, Cashier of the Easton National Bank, Easton, Pa.

WILLIAM T. HACKETT: I desire to ask your indulgence in order to make two announcements. The first is that delegates from the State of Pennsylvania are requested to meet in this hall immediately after adjournment this morning, for the purpose of electing a representative on the Committee on Nominations, as provided in the Constitution of the Association. The other announcement is, that I have been requested to invite the delegates to this Convention from the several State associations also to meet in this place upon the adjournment in order to nominate to this Convention five gentlemen for membership on the Executive Council.

THE PRESIDENT: We will now hear from Mr. M. M. White, of Cincinnati, Ohio, in respect to the memory of a former President of this Association, a man whose face we all miss upon this occasion, William H. Rhawn, of Philadelphia, Pa.

M. M. WHITE, of Cincinnati, Ohio: It has been delegated to me, gentlemen, to prepare a suitable minute as a memorial to the late William Henry Rhawn, of Philadelphia. While it is a sad duty to perform, yet at the same time it is proper that we should put some testimonial upon our minutes with reference to one who has served this Association faithfully and ably year after year, with only the omission of a single meeting in the twenty-four years of our existence. I traveled with Mr. Rhawn from the Atlantic to the Pacific, and he inducted me into the office of President of this Association, in 1894, and on this occasion I almost fancy that he is in our midst, because it seems to me that if there is any connection between the beyond and the present, the kindly face of William Henry Rhawn is looking down upon our deliberations and watching them in the spirit as he did in the flesh. I have prepared this paper, which I will now read:

IN MEMORIAM, WILLIAM HENRY RHAWN.

The most important contribution which any community makes to the world is the character and influence of its eminent men.

The recent death of William Henry Rhawn, which occurred on the 27th day of June, 1898, aged sixty-six, removes from the list of membership one among the few who have been identified with the American Bankers' Association since its organization, in 1875. He has been a delegate and present at every convention since 1875, with the exception of 1883. He was a member of the Executive Council from 1878 to 1888, and again from 1893 to 1896, and served as President for the year 1892 and 1893.

The significance of every human life is the character which it has maintained, that part which remains, and by its completeness and perfection leaves the deepest sense of loss to the world when the man himself passes away.

The career of our departed friend and associate illustrates the solid underlying principles of industry, integrity and fidelity united with superior endowments, and the courage under all circumstances to follow, regardless of popularity, the path of justice and right as it was outlined to his clear perception. He was remarkably unselfish, ever sacrificing time, talent and strength for others, and in so doing did not accumulate a fortune to be counted in dollars and cents.

As an unselfish public-spirited citizen among those interested in good works and practical reforms, moving among the best element of kindred spirits in Philadelphia, where he lived all his life, his example and labors will long continue to be felt by those he loved and delighted to serve.

In his early manhood his attention was directed to financial affairs, and becoming identified with banking he entered upon his chosen career, and being possessed of enlarged and comprehensive views and studious habits he soon mastered the intricate mechanism of a bank as well as its management, and during thirty-two years was President of the National Bank of the Republic, Philadelphia, and retired when the bank ceased business, paying every depositor in full without any delay, and during its entire career under Mr. Rhawn's charge not a shadow ever rested on the bank or on the personal or official character of its President.

Men may die, but the work goes on, and as the name of our departed friend may forever disappear from the minutes of our Association, yet his kindly presence, no more to be with us as we annually gather together, is indelibly stamped on memory's tablet until we shall lay down the cares of life, and happy shall we be to leave so fragrant memories as William Henry Rhawn, the large-minded, clean-handed Christian man. (Applause).

Robert J. Lowry, of Atlanta, Ga.: I knew Mr. Rhawn well for over a quarter of a century, and I wish the adoption of the minute submitted by Mr. White.

J. B. Finley, of Monongahela, Pa.: I second that motion.

The President: As many as are in favor of the adoption of the minute which has been read by Mr. White will manifest it by rising. Adopted unanimously.

John Farson, of Chicago: Mr. President, I think perhaps at this time it would be wise to pause a moment and place a flower in the paths of the living. As I have looked about this Convention I have missed the kindly face of two of our members who have invariably been present to cheer us with their words and aid us with their wisdom. I refer to Mr. N. B. Van Slyke, of Madison, Wis., and Mr. Eugene H. Pullen, of New York city, both of whom I understand are unable to be present with us on account of illness, and I move that the Secretary be instructed to send a telegram of greeting to each of these gentlemen and also expressing the hope of this Convention for their speedy recovery to health.

James H. Willock, of Pittsburg, Pa.: I second that motion.

The President: All in favor of the motion will manifest it by saying aye - opposed, no. Carried.

The President: We will now listen to the report of the Bureau of Education, which will be presented by Mr. William C. Cornwell, President of the City Bank of Buffalo, N. Y.

Report of the Committee on Uses of Banks (Bureau of Education) by the Chairman, Wm. C. Cornwell.

The Committee on the Uses of Banks, which was directed to continue its work by the Convention last year, begs to make the following report:

OBJECT OF THE COMMITTEE.

This Committee was appointed by the Executive Council at a regular meeting in March, 1897. It was continued in force at the Detroit Convention by vote of the Association. Its object was and is to distribute information as to the uses of banks in order to overcome the great ignorance and the great prejudice concerning banks, and to disarm the blind hostility that grows out of lack of knowledge of what the banker is and what he does.

FIRST STEP.—The Committee decided as a first step to issue a pamphlet for general distribution.

After obtaining through correspondence the views of prominent bankers throughout the country as to what should be contained in the first pamphlet to be issued by the Committee, a pamplet was prepared under the title of "What is a Bank?" Copies of this pamphlet were sent to 10,000 banks throughout the United States, with a letter to each asking for expressions of opinion as to its adaptability to the purpose for which it was prepared—to instruct the people of the United States as to the uses and purposes of banks. Enclosed with each letter was a postal card upon which the person or institution receiving the letter was requested to order such a number of the pamphlets as they would personally see to the distribution of, where they would do the most good. The letter itself was as follows:

CIRCULAR LETTER.

"DEAR SIR:—The undersigned Committee has in charge the work of distributing proper information as to the uses of a bank, the object being to do away with the present hostility which exists against banks among the ignorant or misinformed part of our population.

The Committee proposes to send out a pamphlet—a proof of which is enclosed—which is intended to set forth in the simplest manner possible the work which a bank does in the community.

Please read this carefully.

This book is intended as a primer—the facts stated are elementary and not in dispute; and the manner of stating them is intended to be so clear that all can understand.

The Committee desire your earnest co-operation in placing these pamphlets in the hands, not so much of your own bank customers as in those of individuals (laborers, mechanics, farmers and others) who have been misled upon this question or else have never been informed. We suggest that you make a list of the firms, etc., who do business with you, and who employ a large or small number of people—that you ascertain whether these employers will on any certain pay-day see personally that one of these pamphlets is placed in the hand of each employee. If your dealings are with the farming community we would like to have you personally attend to the placing of one of the pamphlets with each of this class of voters in your vicinity. It is the desire of the Committee that none of the pamphlets be wasted as is sometimes the case when such matter is given out to tellers or clerks for distribution.

The Committee desires to know whether you will undertake this work with us. Will you give it your personal attention? And if so, how many of these pamphlets (without cost to you for the pamphlets) will you use in the way intended.

Kindly reply promptly on enclosed postal card.

The importance of the education of the people on this great question will appeal to you at once. We desire your earnest personal co-operation, believing that every convert made to the indisputable truth will aid in the future in a safe solution of the great questions now in process of adjustment in the United States.

(Signed) COMMITTEE ON USES OF BANKS, AMERICAN BANKERS' ASSOCIATION."

A GRAND RESPONSE.

The response to this letter was quick and almost overwhelming as to orders for the pamphlet. The replies came from about 5,000 banks from every State in the Union, and the orders aggregated nearly a million and a quarter copies, and were usually accompanied by some remarks as to the plan. Nearly all replies were favorable to the work, and the vast majority of banks replying expressed a willingness to coöperate in the work of the Committee. These expressions written out in type cover 500 pages. They are mainly aggressively affirmative and many evidence much enthusiasm in the work and decided satisfaction because of its undertaking by the Association.

It is impossible to give an adequate idea in a few words of this sentiment, but some of the remarks are quoted below:

SOME OF THE REPLIES.

CALIFORNIA: "Something of this kind is needed. This pamphlet will go far towards supplying the need. The best I ever saw. Plain and comprehensive and ought to be in the hands of every voter."

MISSISSIPPI: "Clear and to the point."

VIRGINIA: "What has long been needed for the education of the masses along this special line."

INDIANA: "The distribution will prove a splendid thing for bankers in general."

ARKANSAS: "Believe it will fill a long-felt want of the country bank."

TENNESSEE: "Think great good can be accomplished in this way. Have long felt the need of some means of reaching this class of people."

KENTUCKY: "The public needs this very document."

CALIFORNIA: "Believe the work undertaken by your Committee will result in great benefit to banking institutions."

TEXAS: "This pamphlet is a good thing for any country."

ARKANSAS: "I will personally attend to the distribution of these pamphlets to farmers. I think they are fine and will do much good. Am pleased to know you are doing such good work."

MICHIGAN (Detroit): "Nine of our customers employing a large number of hands (1730 in all) have agreed to distribute the pamphlet among their employees."

MICHIGAN (Pt. Austin): "Ought to be in the hands of every family."

OHIO (W. Lebanon): "Think this a good move."

MINNESOTA (Duluth): "One hundred to men working in saw-mills."

NEBRASKA (Decatur): "The truth simply expressed so that any child can understand."

N. DAKOTA: "Just what is needed in this section of the country."

MINNESOTA (Canby): Asks for copies in German and Scandinavian.

TEXAS (Santa Ana): "A move in the right direction."

TEXAS: "An excellent plan. A good work. Must be kept up."

ILLINOIS (Equality): "Have been looking for something like it for the past five years."

ALABAMA: "People need this kind of education."

KANSAS (Syracuse): "A most laudable enterprise, of especial advantage to Western bankers."

KANSAS (Baxter Springs): "Will take pains to place them where they will do most good, and thank the Association for the privilege."

MARYLAND (Frostburg): "A splendid idea and we heartily approve of it."

OHIO: "Shall have my personal attention and will do everything in my power to aid your Committee."

N. DAKOTA: "Will tend to remove prejudice against banks. Pleased to co-operate,"

OKLAHOMA T.: "Our dealings are almost entirely with farmers. Send them along. This is one of the best moves I have had brought to my notice."

WESTERN OHIO: "Have commenced business here only a few weeks. Pamphlet is just what we need."

IOWA (Waukon): "I am pleased with the work."

KANSAS (Moline): "Will attend to personally, as I think it is a grand thing."

WISCONSIN: "Will do great good to our farming community here."

N. DAKOTA: "Will give it personal, prompt attention."

OHIO (Seville): "Have an intelligent community who will appreciate the work. Have desired a condensed statement of this kind for a long time."

TENNESSEE (Tullahoma): "Send them to us. What we need in this country."

MISSISSIPPI (Magnolia): "We will be benefited by this work."

IOWA: "A great work and a right move. Will give it personal attention."

WISCONSIN (Kewanee): "Just what we need."

KENTUCKY (Princeton): "This is just what I have been looking for for a long time. Have to deal almost entirely with farming community who do not understand the banking business."

ACTION OF THE EXECUTIVE COMMITTEE.

These but faintly convey an idea of the various expressions of approval and co-operation which came to the Committee from all parts of the country, upon receipt of its circular letters.

The Committee made a report of its work to the Executive Council on March 24, and the Executive Council decided that on account of the magnitude of the work it did not feel authorized to undertake the task of carrying on and continuing the work of the Committee, as it promised to grow to such vast proportions—the orders for the first pamphlet being so general and for such large numbers, and that only a beginning.

Your Committee then prepared and sent out a letter addressed to each person or institution which had placed an order with the Committee for the pamphlet, advising them that the Courier Company, Buffalo, N. Y., had agreed to supply the pamphlet at the rate of $1 per 100 (about cost), enclosing a postal card upon which they could give an order for such a number of the pamphlets as they could use. Copy of second letter follows:

SECOND LETTER.

"DEAR SIR:—Referring to the circular letter of this Committee, dated February 28 last, which accompanied the proof of the pamphlet, 'What is a Bank?' we have to report that the orders received for the pamphlet aggregated about a million and a quarter copies, nearly 5,000 banks having offered to take and personally distribute copies, the orders being from 25 copies to 10,000 copies each.

A meeting of the Executive Council of the American Bankers' Association was held March 24, and the matter was brought before them. The final decision was that the work was so great that they did not feel warranted in undertaking it at this time, as the education would have to be continued, this pamphlet being only a beginning, and the undertaking seemed to them so large and important. The Committee therefore regret that they are prevented from carrying on the project, at least for the present.

On account of the interest manifested by a large majority of the banks of the country the Committee dislike to abandon the matter altogether. The work will, however, have to go on without being conducted by the American Bankers' Association.

The printers of the pamphlet, The Courier Co., Buffalo, N. Y., have offered to furnish it, providing they receive orders aggregating a large number, at $1 per 100, and believing, on account of the many favorable expressions received, that many of the banks would like to take up the work on their own account, we have written this letter, enclosing a postal card, on which an order may be sent to the printers, if you desire, on this basis.

The Committee will carefully supervise the delivery.

(Signed) COMMITTEE ON USES OF BANKS."

THE BANKS WILLING TO PAY.

The Courier Company have since then received orders which have exhausted an edition of 100,000 and are now filling orders from another edition, orders still continuing to come. These orders have been received from all parts of the United States, and some of the banks have placed a second order.

The fact that the banks of this country are willing to pay for the privilege of distributing educational matter of this character is convincing evidence of the desirability of the Association's undertaking this great work.

BANKING CAPITAL UNJUSTLY TREATED.

For many years in the United States a most unjust prejudice has existed against banks, and it is quite generally recognized that this prejudice against capital employed in banking does not exist against capital employed in other lines of business.

The large insurance companies, with assets aggregating hundreds of millions of dollars, are not made the target of the political archer, as are the banks. This is probably due to the fact that the people have a better knowledge, generally, of insurance and its advantages to the people than they have of the banking business. Where there is one man who keeps an account in a commercial bank there are probably a thousand who are members of the various fraternal orders, and are thus interested in and understand the principles of insurance, and it is for this reason that insurance does not meet the obstacles that banking does, and is not attacked by demagogues. If this is true of insurance it would also be true of banking under similar circumstances.

EDUCATION ONLY REMEDY.

The only thing to do is to educate the people so that they will understand that, like the insurance business, the banking business is a decided advantage to the people generally, and that any injury done to banks is reflected back upon the people themselves, in the way of curtailment of loans, high rates of interest, general suppression of enterprise and consequent loss to all classes. When the people understand these things as they understand other lines of business, prejudice will disappear. The existence of this prejudice has been no fault of the banks themselves, as far as their daily operations are concerned, which are of the greatest possible benefit to every class in the community.

WHERE BANKERS ARE AT FAULT.

The fault has been that the bankers have not heretofore taken up the task of educating the people. The most absurd statements in regard to the special privileges of bankers are allowed to go unanswered and are generally accepted by the people as true. Ever since the late bond issue the papers which favored Government paper money and free silver have been full of the wildest nonsense as to the enormous profits that would accrue to the banks through the issue of notes based on the new bonds, and these statements are believed by probably ninety-nine per cent. of the people who read them. All these willful misrepresentations should be met and answered promptly, and this cannot be done unless it is made somebody's business to do it. There is no people in the world who are so ready to recognize right and justice as the American people. It is folly to leave them in ignorance and any longer to allow this prejudice to flourish.

A GREAT OPPORTUNITY.

Gentlemen, you have before you to-day a momentous question. Will you begin now at the end of this century to right the wrongs which have oppressed the men of your calling for fifty years, or will you supinely, weakly, drop this task, because it seems so great, and fall back into the trenches. If you do, you have not learned the glorious lessons which our brave soldiers taught us before Santiago.

WM. C. CORNWELL,
ROBERT J. LOWRY,
HARVEY J. HOLLISTER,
Committee on Uses of Banks, American Bankers' Association.

THE PRESIDENT: If there is no objection, this report will be received and printed in the minutes.

PETER WHITE, of Marquette, Mich.: I move that the same Committee be continued, with instructions to pursue the good work another year.

WILLIAM S. WITHAM, of Atlanta, Ga.: Mr. President, I would like to second that motion in a one-minute speech. The subject of the Committee's work is this modest little pamphlet which I hold in my hand, and which is no doubt familiar to all of you. The widespread prejudice against our business, aided by legislation and by politicians, needs just such work as this, and we need just such a committee as we have had. If I wanted to change the name of that little book I would call it "The Prejudice Killer." (Laughter and applause.) It is so valuable that one of the school commissioners in one of the counties where I am engaged in business proposed to make it a textbook in the public schools. (Laughter.) I want to confess that, being well acquainted with the people in the counties where I do business, they are not all as smart as Benjamin Franklin. Perhaps it is a good thing for me that they are not. I heartily endorse the motion of the gentleman from Michigan, to continue the present Committee, with power. (Applause.)

THE PRESIDENT: The question is on the motion made by Mr. White, seconded by Mr. Witham, that the Committee having in charge this matter be continued, with instructions to pursue the work. All in favor of the motion will manifest it by saying aye—opposed, no. Carried.

WILLIAM HACKETT, of Easton, Pa.: After having met so flattering a recognition from the Chair when I arose before—and with all due courtesy I would say, Mr. President, that in our case a fellow feeling makes us wondrous kind—I want to make another statement. I said in my original statement that the Pennsylvania delegation would meet immediately after the adjournment of this session, and I want to add now that they are requested to meet at this part of the hall.

THE PRESIDENT: Is there any further business to come before this session of the Convention?

WALKER HILL, of St. Louis, Mo.: Since our last meeting we have lost a member of the Executive Council, and I was appointed one of the committee to draw the following resolutions, which I now present and move the adoption of:

RESOLUTIONS ON THE DEATH OF THOMAS S. RIDGWAY.

Whereas, In the providence of God, Mr. Thomas S. Ridgway, of Shawneetown, Ill., departed this life on the 17th of November, we, his fellow members of the Executive Council of the American Bankers' Association, desire to place on record our appreciation of the loss this Association has sustained in the death of our deceased friend and associate councilman; therefore be it

Resolved, That in the death of Mr. Ridgway our Council has lost a faithful and valued member, ever ready and diligent in the discharge of all duties incident to membership, and we shall miss the benefit of his wise counsel and helpful hand; as a friend he was unselfish, kindly and obliging, sympathetic, warm in his attachments, and ever ready to lend a helping hand to those in trouble.

To his family we extend our heartfelt sympathy.

Resolved, That the Secretary of this Association enter this preamble and resolutions on the records, and send a copy to the family of the deceased.

(Signed) WALKER HILL,
F. W. HAYES,
A. G. CAMPBELL.

THE PRESIDENT: Gentlemen, all in favor of the adoption of this minute will please manifest it by rising. Adopted unanimously.

As there is no further business to come before this session of the Association, the Convention will stand adjourned until Wednesday morning at 10 o'clock.

SECOND DAY'S PROCEEDINGS.

THE PRESIDENT: Gentlemen, the hour of 10 o'clock having arrived, it becomes my duty to call the Convention to order. We will be led in prayer by the Rev. F. W. Oakes, rector of the Episcopal Church of this city.

PRAYER BY REV. F. W. OAKES.

Almighty God, we beseech Thee to grant Thy most excellent gifts to this Convention, directing them in all their ways, and furthering them with Thy continual help that in all their works begun, continued and ended in Thee, they may gratify Thy holy name, and finally obtain everlasting life, through Jesus Christ, our Lord, Amen.

THE PRESIDENT: The Secretary will now report to the Convention the names of the gentlemen who have been selected by the various delegations to compose the Nominating Committee.

THE SECRETARY (reading):

NOMINATING COMMITTEE.

ALABAMA..........J. W. Whiting, President People's Bank, Mobile.
ARKANSAS.........John Fletcher, Attorney German National Bank, Little Rock.
COLORADO..........G. B. Berger, Cashier Colorado National Bank, Denver.
CONNECTICUT.......Frank D. Hallett. Cashier First National Bank, Winsted.
FLORIDA............John T. Dismukes, President First National Bank, St. Augustine.
GEORGIA.............Robert J. Lowry, President Lowry Banking Co., Atlanta.
ILLINOIS............Jno. L. Hamilton, Jr., Cas. Hamilton & Cunningham, Bankers, Hoopeston.
INDIANA............S. A. Morrison, Assistant Cashier Fletcher National Bank, Indianapolis.
IOWA................Fred Heinz, President Farmers and Mechanics' Savings Bank, Davenport.
KANSAS.............J. R. Mulvane, President Bank of Topeka, Topeka.
KENTUCKY.........Fayette Hewitt, President State National Bank, Frankfort.
LOUISIANA.........Isidore Newman, Sr., Banker, New Orleans.
MARYLAND.........David Sloan, President Lonaconing Savings Bank, Lonaconing.
MASSACHUSETTS...H. L. Burrage, Cashier Third National Bank, Boston.
MICHIGAN..........John T. Shaw, Cashier First National Bank, Detroit.
MINNESOTA.........A. C. Anderson, Cashier St. Paul National Bank, St. Paul.
MISSISSIPPI........A. G. Campbell, President First Natchez Bank, Natchez.
MISSOURI...........J. B. Thomas, Cashier Bank of Albany, Albany.
NEBRASKA..........Wm. Stull, Investment Banker, Omaha.
NEW JERSEY.......Geo. F. Kroehl, President First National Bank, Asbury Park.
NEW MEXICO.......L. H. Brown, Cashier Bank of Deming.
NEW YORK.........C. A. Pugsley, President Westchester County National Bank, Peekskill.
NORTH CAROLINA.J. G. Brown, President Citizens' National Bank, Raleigh.
OHIO................M. M. White, President Fourth National Bank, Cincinnati.
PENNSYLVANIA....S. R. Shumaker, Cashier First National Bank, Huntingdon.
SOUTH DAKOTA....W. A. Mackay of Banking House of Mackay Bros., Madison.
TENNESSEE.........Jno. W. Faxon, Assistant Cashier First National Bank, Chattanooga.
TEXAS................J. Z. Miller, President Miller, Hall & Co., Bankers, Temple.
VIRGINIA...........John P. Branch, President Merchants' National Bank, Richmond.
WEST VIRGINIA....J. E. Sands, Cashier First National Bank, Fairmont.
WISCONSIN.........S. M. Hay, President National Bank of Oshkosh, Oshkosh.

THE PRESIDENT: The Nominating Committee will please meet in the Executive Council room at the Brown Palace Hotel at 3 o'clock this afternoon.

The next business in order is the Call of States. As the Secretary calls the names of the States some delegate from the State is to rise and state as briefly as possible the general condition of banking in the State; the briefer the better, the more about banking the better, and the less about politics the better than all. (Laughter and applause.)

ALABAMA.

J. W. WHITING, People's Bank of Mobile: Mr. President and Gentlemen of the Convention—Either the altitude of Denver or the hospitality of its people has had some effect on the gray matter in my head, or something else—(laughter)—but I kind of feel as if there were cobwebs there this morning. Perhaps it is a little too early to talk. I am loaded with statistics, but I do not propose to bore you with them.

Business generally in Alabama is prospering. Beginning with the Northern tier, called the Huntsville District, the crops have been magnificent, and the bankers have gathered in the advances they made from it. Coming down to the mineral districts, called the Birmingham District, business matters there have very much improved. A few years ago they had an immense boom there, and later a more immense collapse. The banks were seriously affected because loans had been made on boom paper that was never collected, but by energy, by economy and good management those banks have recovered from that depression, and some are now paying dividends. So far as mineral matters are concerned, you stated yesterday, Mr. President, in your address, that

Alabama made iron cheaper than any place on the globe, but that Pennsylvania made the steel. Now I beg to say that we are now erecting in the mineral district of Alabama a steel plant, and I give notice to Pennsylvania that we will very soon undersell her in steel products. Our cotton industry flourishes, and generally the State has a brighter outlook than ever, despite the handicap to Mobile by shallow water. This, however, has been remedied by the general Government, and we have twenty-three feet of water at our walls. We export to Bremen, Liverpool and all nations save Spain. Exports have increased a large per cent. in recent years. In Mobile new enterprises have started, and the city is proud of her Southern hospitality—open to Denver and the world. (Applause.)

ARIZONA.

M. B. HAZELTINE, Bank of Arizona, Prescott: In order to impress on friends the good time I am having I'll omit the greater part of my speech. Three prominent bankers delegated me to say that never was Arizona in better shape. Railroads, cattle, mining and banking are all thriving. For two years we have done so, and I think we have enjoyed prosperity without precedent for two years. (Applause.)

ARKANSAS.

A. H. JOHNSON, of the Bank of Helena, Ark.: A few years ago, Mr. President, the people in our town used to say, "We want banks here where we can draw money out," but I am happy to say that to-day they are calling for banks where they can deposit their money. (Applause.)

All the Arkansas people who are here in Denver are delighted with Denver and with Colorado, and I think I can say that we will make it our watering place in the future. (Applause.)

CALIFORNIA.

(No response.)

COLORADO.

JOSEPH A. THATCHER, President Denver Clearing-House: Mr. President and Gentlemen—We were up a little late ourselves last night, and being busy preparing for your coming here, I do not think any one in the State thought of making the slightest preparation to respond for Colorado on this Call of the States. Certainly I am not prepared for it. However, I will say what I can. It has been supposed we produce simply gold and silver—probably too much silver. I want to say we have extensive coal business, agriculture forging ahead, and a rapidly growing cattle business. As for fruits—it will surprise you—but we export much to European ports, and everything is on the increase. At no time in her history have the mines of Colorado been in better condition. May the prosperity continue. Thanking you all again, I say welcome. (Applause.)

WILLIAM S. WITHAM, of Georgia: Gentlemen, Colorado is too big and of too much importance to pass with one little short speech like that, though it did come from so eminent a man as the President of the Denver Clearing-House. I would not attempt to speak of so big a thing as Colorado, which took a contribution from France, and from Mexico, and from Texas, to make it up. Gentlemen, it is the only State in the Union of whose soldiery the commander has said, "Every man is a hero." (Applause.)

I will say just this one word about the center of Colorado, and that is Denver. I have met bankers all over the country with big heads and big feet

—(laughter)—but these bankers all have one complaint—the big heart. (Applause.) And not the least thing that can be said about Colorado is this—that out at Cripple Creek an old negro woman had the misfortune, or the fortune, to lose her husband. She went out in search for him, and finally she found him, and she made it hot for him, and thus we have that popular ballad called "A Hot Time in the Old Town To-night." (Laughter.) I wish we could sing that. Let us try.

(No sooner had the invitation been given by Mr. Witham than a lady in one of the boxes sang the first verse of this popular song, and the audience, urged by Mr. Witham, who stood up in a box and led in the singing, joined in the chorus amid great applause.)

THE PRESIDENT: If the Chair is not vigilant, this Convention will be taken out of its hands. (Laughter and applause.) I have had a number of applications from gentlemen who wanted to speak for Colorado. Colorado has been spoken for now, and she speaks for herself. (Applause.)

CONNECTICUT.

A. H. DAYTON, Naugatuck National Bank: Mr. President, and Gentlemen of the American Bankers' Association—This is the first Convention of this Association that I have ever attended, and I feel somewhat diffident about rising to respond on this Call of the States, but I cannot let Connecticut go by without being heard from.

Our State is prosperous, and the people are happy. What farmers we have are plowing the same old fields, and picking out the same stones that their fathers and grandfathers did, a couple of hundred years ago. Our manufacturers have grown from little shops to large establishments, and I am glad to say that to-day they are all busy and apparently prospering. The only trouble is with our banks. They are flush with money, but we have not the chance to loan our funds as we should like to. It is an unfortunate condition of affairs, but nevertheless it is a fact. However, we are trying to keep our money safe. We are among those of whom the President spoke yesterday, when he said that our education resembles fate. I think, sir, that our education is complete in this respect. (Laughter and applause.)

DELAWARE.

(No response.)

DISTRICT OF COLUMBIA.

(No response.)

FLORIDA.

JOHN T. DISMUKES, First National Bank, St. Augustine: Gentlemen, I simply want to give you a single quotation from Lowell: "Blest is he who has nothing to say."

I must say, however, that any gentlemen of this Convention, who come to Florida, will never forget it; we will give them a good time, and we will present each delegate with an alligator, and at least one mosquito. (Laughter and applause.)

GEORGIA.

MR. HILYER, American National Bank, Macon: Mr. President, the Georgia delegation selected Mr. Joseph S. Davis, of Albany, Ga., to reply to this Call of the States. He is very much indisposed this morning, suffering from a sore throat (laughter), and as he had prepared a speech here, he asked me to read it for him, and I will now proceed to do so.

JOSEPH S. DAVIS, First National Bank, Albany: It is my pleasure to report that conditions in Georgia are both healthful and hopeful. Every one manning her many industries is on the alert, and all sails are spread to catch the boom expected to follow in the wake of the victorious war and glorious peace won by our nation.

Georgia's varied industries are prospering fairly, and her banks generally are of the highest credit and worthy the fullest measure of confidence. They fulfill the obligations recognized in the reciprocal relations sustained by bank and community, supplying the need of customers if they do not gratify their wishes. The varied interests of the State—mining, manufacturing, commercial and agricultural—furnish a fine field for the profitable employment of capital, and her bankers lend with the assurance that the products of industry abundantly warrant the confident expectation of payment at maturity.

Agriculture, which is the foundation of all prosperity, is the predominant interest in our State, and Georgia's husbandmen have realized the promise to Noah, that there should always be a seedtime and a harvest.

When we left the State the fruit men were enjoying the results of a profitable season, and the corn in tassellated caps stood in serried columns, guarding the country against an invasion by famine, while our cotton fields, blooming more beautifully than the rose gardens of Italy, gave promise of an abundant yield. For a century Georgia's gold fields have been yielding their precious metal, and the marble industry has developed so marvelously within the past few years as to place the State second in its production in the Union. My friend, Captain Lowry, who is my mentor on this occasion, desired me to present some statistics, but unlike Josh Billings, I am no statistician, as statistics do not ooze from me like attar of roses from the otter. (Laughter.)

There is a mercantile truism, "A thing well bought is half sold," that Georgia bankers have paraphrased into, "A loan rightly made to the proper party, is already collected," and while losses are small, and are growing beautifully less, it can yet be confidently asserted, applying the test of our honored President, that the education of most of the bankers of Georgia is already complete. In Georgia this summer gold was so plentiful, or rather, I should say, formed so large a proportion of cash on hand, that our banks paid it out over the counter in cashing checks, which served as an object lesson, enforcing the wisdom of the people in adopting the gold standard. If it be true, as politicians claim, that the adoption of the gold standard was the imposition of a cross upon the country, it is well to consider the saying worthy of all acceptation, "No cross, no crown;" and having voluntarily assumed the cross, the country is now ready to wear the crown of a golden prosperity, which, like coming events, casts its shadows before. (Applause.)

IDAHO.

(No response.)

ILLINOIS.

W. T. ROBERTSON, Winnebago National Bank, Rockford: The delegate from our State is unable to be here this morning, but he furnished me with a few memoranda from which to make some kind of a response.

Business in Illinois is fairly good with our banks, but the great plethora of money has at times led us to feel some little sympathy with that individual —I can hardly dignify him by the name of banker—who had been ill for a week or so, and when he came down to business again, his associates were congratulating him on his recovery, and he said, "Yes, I am better, but what is the use of living when money is only worth 3 per cent ?"

Our past experience has instilled such caution into the minds of our bankers that it is now felt that the average paper which we hold to-day is much better than usual, and more easy to be collected. The Illinois Bankers' Association is prospering in the membership and in the effectiveness of its work, and it expects to obtain this year the enactment by the Legislature of the Uniform Negotiable Instruments Law, which has been adopted by many of the States through the efforts of the American Bar Association. (Applause.)

JOHN FARSON, of Chicago: May God bless the great commonwealth of Illinois ! We, of Chicago, you know, are very modest. We think New York, which turns out such men as our worthy President, is a great State; we think Georgia, which turns out such men as Robert J. Lowry, is a great State; we think Colorado, which turns out such men as Joseph A. Thatcher, is a great State; we think Michigan, which turns out such men as George A. Russel, is a great State. But when all these men unite and say that Chicago is the greatest city in the Union, why, gentlemen, we must needs think it true. (Laughter and applause.)

I am glad to bring to you this morning greetings from the city of Chicago and from the State of Illinois. We have been depressed, but with the help of our President and the boys behind the guns, the State of Illinois believes it will be not far from the head when the march begins down the road of prosperity. (Applause.)

INDIANA.

(No response.)

IOWA.

FRED. HEINZ, Farmers and Mechanics' Savings Bank, Davenport: In the absence of our Vice-President, I will say briefly that the 1,062 banks that we had in our State last year are still there. (Laughter and applause.) Of these, over 400 belong to the Iowa State Association, which shows that the bankers are taking an active interest in the Association. As to our vast agricultural resources, why, gentlemen, we have the greatest agricultural resources you ever saw, and not only that, but we have great mining resources, especially coal mining. As to our manufacturing industries, they are increasing continually, as are also our commercial industries. I would say, gentlemen, that Iowa produces splendid cattle and sound hogs, sound corn and grain, sound men and women, and Iowa will always be for sound money. And finally, the people of Iowa have of late gone very extensively into the war with Spain, because we have sent a good many men to the front to lick the Spaniards, and the rest of us are staying behind to lick the revenue stamps. (Laughter.)

INDIAN TERRITORY.

(No response.)

KANSAS.

P. I. BONEBRAKE, Central National Bank, Topeka: Mr. President—Our Secretary has requested that we respond to the call of States orally. I presume he did this because he wanted us to be brief. In the interest of brevity I have written a few brief remarks.

In 1804 to 1807 Lieutenant Zebulon Pike explored the country west of the Missouri River. He perpetuated his name by giving it to a giant peak which you will all see before you return home. He had a poor opinion of the country explored, as he reported as follows:

"From this immense plain may be derived one great advantage to the United States—namely, the restriction of population to certain limits, and thereby a continuation of the Union. They will be constrained to limit themselves to the borders of the Missouri and Mississippi, while they leave these plains, incapable of cultivation, to the wandering aborigines of the country."

The "North American Review" declared that "the Missouri River was the termination of an ocean desert one thousand miles in breadth, which could only be traversed by caravans of camels, and was a final barrier to population, commerce or agriculture." Morse, in his "Universal Geography," said: "All settlers who go beyond the Mississippi River will be forever lost to the United States."

Compare these prophesies with the facts of to-day. As I speak there are six millions of intelligent and enterprising citizens occupying the territory which the prophets said must remain in the hands of the "wandering aborigines of the country," unfit for cultivation. To-day fifteen thousand citizen soldiers and marines of the territory west of the Missouri River that was to be "forever" lost to the United States—that territory fit only for the "habitation of the aborigines"—are upholding the American flag on the ocean and the isles of the sea.

Mr. President, neither the explorer, political writer nor the geographer can tell the results of the enterprise of the American citizen. Forty years ago the place where we stand to-day was the home of the red man, the hunter and the prospector. To-day this city, with its population of over one hundred thousand, its churches, school houses, libraries, railroads and other improvements of the highest order, is a fitting example of the country and its people west of the Missouri which were to be "forever lost to the Union."

But I must confine myself to Kansas. It is part of that land that is incapable of cultivation. Last year, 1897, she marketed $136,355,000 worth of productions of the farm, orchards, live stock and poultry. To this may be added a total production of coal, lead, zinc, salt and smelting products of the value of $26,990,000; making a grand total of $163,345,000 for one year for Kansas. Our mining industries are yet in their infancy.

The total value of all precious metals produced in the United States in the year 1897 amounted to $142,853,000, being $23,000,000 less in value than the productions of the farms and mines of Kansas for the same year. For any period of ten years our average productions will equal any State in the Union per acre per capita.

Ten years ago investments in Kansas were so popular that our people's heads were turned. We built too many railroads, school houses, water works, court houses, electric plants, business blocks, etc. Almost every city and village had all these. In all these things we kept pace with States one hundred years old. In a word, we lived too fast, and as a result a reaction came, and we went to the low-water mark. But for five years past we are on the up grade, paying our debts and utilizing our resources. Financially we are all right. The State has no State debt, and in the period just named more than half our municipal and mortgage debt has been paid. Where the debt has matured and has not been paid, in many instances the mortgage or municipal debt has been refunded at from four to five per cent. interest.

We have just harvested an immense wheat crop, and if we only had another Joe Leiter to corner the wheat, our people would be out of debt in a year.

Our National banks show an average reserve of 33.69 in the report of July

14 last, and the reserve is larger than ever before. We have an excellent State bank law, ably administered. Unfortunately for the banking interests, the rate of interest has decreased in proportion to the prosperity of the State. The interest rates have gone down from eight and nine per cent. to six and eight per cent. The harvest time for Kansas bankers is spring and fall. At those times the live-stock men borrow to carry their cattle, sheep and hogs for the spring and fall markets. To those unfamiliar with the live-stock business of the West, this interest is not appreciated. One little city in Kansas of 40,000 people (Kansas City, Kan.) handled in 1897 6,444,000 head of live stock, of a value of $110,520,000.

Kansas was best described by Senator Hoar, of Massachusetts. In a speech in the United States Senate, speaking of Kansas, he said: "There is not another instance on the face of the earth, unless it be in some neighboring American State, where a territory has grown up in forty-two years, containing such a population, such wealth, such value of agricultural lands, such vast agricultural products. I should like to know if there is another instance of such prosperity."

It is due to Kansas flour, beef, mutton, poultry and eggs that these Eastern brethren look so sleek and well fed. With peace and open doors for trade with Porto Rico, Cuba, Hawaii and the Philippines, added to our present commerce, we see no reason why the whole country should not have a long period of prosperity. (Applause.)

In conclusion, I desire to say that the delegation from our State here numbers twenty-five members. (Applause.)

THE PRESIDENT: There is nothing the matter with Kansas.

KENTUCKY.

THOMAS W. LONG, First National Bank, Hopkinsville: In response to the demands for a report from my State I beg to submit the following:

Kentucky has within her own borders sufficient resources to make herself independent of the world. My limited knowledge of the various industries, as well as the time allotted to these reports, prevents a complete review of all of her interests, and I trust that this Convention will pardon what might, under other circumstances, seem sectional, when I call atention to the principal industries of the southwest portion of the State. Coming as I do from the first wheat-growing county in the State, and the largest tobacco-producing county in the world, you will not wonder when I name these as our chief products. There are many others of scarcely less importance, such as corn—and all Kentuckians love corn bread (and since I have been here I have heard it suggested in a quiet way—as slanderous as it may seem—that some love corn extract), oats, hay, cattle and horses. Our hills abound in iron and coal, and the whole State from center to circumference is filled with high-minded Christian women, the fairest and grandest that the sunlight of heaven ever shone upon. This last statement I am prepared to substantiate by the specimen I brought with me.

We have had seasonable weather, and the crops are unusually fine. Our bank vaults are groaning with the yellow metal, with an increased deposit account of thirty-five per cent. during the past twelve months. With the principles of the Republican platform of 1896 on our banner, we hope to keep pace with the wealthy, hospitable and wonderful State of Colorado.

Allow me in conclusion to call attention to our charitable institutions, and the large sums given annually for the spread and support of the gospel of

Christ, telling as they do of our fidelity to a crucified Saviour. May we all hear the words of the wise man when he tells us to "Honor the Lord with all thy substance and with the first fruits of all their increase; so shalt thy barns be filled with plenty and thy presses burst forth with new wine."

LOUISIANA.

G. W. Bolton, Rapides Bank, Alexandria: In order to understand the conditions of Louisiana, remember how we suffered under the conditions of the late war. Yet sixteen or eighteen years ago we started upward and have continued gradually ever since. As far as my knowledge goes, the banks in New Orleans are in a satisfactory condition, paying dividends. Outside the city of New Orleans there were not any organized banks, but now there are fifty-nine, with a combined capital of over $6,000,000. All of them are healthy and paying dividends. (Applause.)

MAINE.

(No response.)

MARYLAND.

Daniel Annan, Second National Bank, Cumberland: Mr. President, Ladies and Gentlemen—I am very glad to be in this very hospitable and beautiful city to-day.

In regard to Maryland, I can only say that it is well with us. Our banks have plenty of money and there is a fair demand. We are among the States that have passed the bill abolishing days of grace. We also have passed the uniform law requested by this Association. (Applause.)

Providence has been good to us. We have plenty of canvas-back ducks, fine fish, and all the good things that come from the soil, and we are thankful that the oysters are yet born without legs. (Applause.)

MASSACHUSETTS.

H. L. Burrage, Third National Bank, Boston: I regret very much that there is not present to-day some member from Massachusetts with larger experience than myself, to respond for such an important State, but having come over two thousand miles to attend this Convention, I shall not let the opportunity pass without saying a word. We have a general idea of the vastness and beauty of the West, but my trip out here was a revelation. Massachusetts is a manufacturing State and has been depressed, but we are prepared to take advantage of the prosperity to come after the war. We expect to regain our old position—that of the first shipping port in the United States. (Applause.)

MICHIGAN.

The President: There is only one man that can respond for Michigan, and that is the gentleman we all fell in love with last year at Detroit—the original discoverer of Michigan—Mr. Peter White, of Marquette.

Peter White, First National Bank, Marquette: I had been conjuring up something about Colorado. I hoped to pack up and move here to drink in this air that is worth more to the square inch than that anywhere in the world.

It goes without saying that Michigan is prosperous. The agricultural industry equals any other, and we produce more iron than any State. Everybody is happy. (Applause.)

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MINNESOTA.

W. E. C. Ross, City Bank, Blue Earth City: I expected to hear from Mr. Anderson. He is the man who ought to respond for Minnesota. It is not necessary for me to make any extended remarks. The State that can produce such men as William Windom and Cushman K. Davis is all right. This is the first Convention of the American Bankers' Association that I have ever attended, and I am somewhat in the condition of the old maid who said she was sorry she had missed so many of the good things in life. (Laughter and applause.)

MISSISSIPPI.

Mr. Russell, of Meridian: Unlike the Georgian, I have not a sore throat but a sore head (gesticulating to depict a swollen head). Mississippi is young, but we have thousands of acres of untouched timber, and one-third is cotton producing. We hope to be second this year—Texas being first. Our people are more prosperous than ever before. Our deposits are annually increasing. The people have learned economy since 1865, and profit by the knowledge. Our agricultural interest is thriving, and I know we are generally better off because I belong to that class that floats paper. Proper security is sure to get money. (Applause.)

MISSOURI.

J. P. Huston, Wood & Huston Bank, Marshall: I regret that our State comes so late on the list, but it would never do to go home without staking off a claim here. We have three and a quarter million people, mostly colonels. We have been in the Union since 1821, the report to the contrary notwithstanding. Twenty years ago we had a bonded debt of $20,000,000, which has been reduced to $4,000,000. Our lead and zinc products equal the aggregate debt of the counties, and the property value in the State would have wiped out the national debt in 1865. Banks are thriving. Nearly all have idle money, but prospects are bright for an extended business this fall.

The corn crop is the foremost of the Union. Missouri is first in production of zinc, and second only to Colorado in lead output. (Applause.)

MONTANA.

(No response.)

NEBRASKA.

H. W. Yates, Nebraska National Bank, Omaha: Mr. President, Ladies and Gentlemen—I do not have the head of the gentleman from Mississippi, but I am afraid I do have a little of the sore throat.

Last year the State of Nebraska came to the front with a corn crop of 247,000,000 bushels, the leading figures of the year, and a wheat crop of twenty-seven million bushels, which puts her very near the head of the list of wheat-producing States.

The deposits in our banks have increased during the last year from $33,000,000 to $41,000,000. (Applause.)

Now we want you all to come to Omaha when you leave here, and visit our Exposition. It is a great success—second only to the Chicago Exposition. I would like to round up as many of you as I can, and have you stop off there next week, and for that purpose the delegation from Nebraska has a register in the office of the Secretary, on the eighth floor of the Brown Palace Hotel, and we wish every delegate who can stop off at Omaha to put his name in that book, and the day he expects to be in Omaha, and we will promise him a good time. (Applause.)

NEW MEXICO.

W. H. Byerts, Socorro: Mr. President and Gentlemen—I can only say that there is no part of the United States that can compare with New Mexico. Why, if the people of the United States were as much in search of health as they are in search of the almighty dollar, the State of New Mexico would not hold all of the people who would come there. (Applause.)

As to our agriculture, I can simply point you to the exhibit we made at the Chicago Exposition. In fruit we are not behind California—indeed, our fruit is so fine that we have none to ship; we eat it all up ourselves. (Laughter.)

As to cattle, horses and sheep, they can be raised cheaper in New Mexico than anywhere else. Our mining interests are growing very rapidly. There is a steady production, and they are coming to the front.

If any members of this Association can come and visit us, you may be sure of a hearty welcome to our land of promise, sunshine and health. (Applause.)

NEW YORK.

Bradford Rhodes, Mamaroneck Bank, Mamaroneck: Mr. President and Gentlemen of this Convention—I will only say a word on behalf of the Empire State. The President of the Association, in his speech yesterday, spoke about the clearing-house of the world, which he expected would shortly be located there. Now, after hearing from Mr. Yates, I should think it would probably be located in Omaha. (Laughter.) We have heard so much about the State of Colorado in these last two days that I did not know but we would like to have it located in Denver. Your gallant Seventh Regiment is stationed at Montauk Point, in New York State, and our commissary there will feed them well, I can assure you; and they are fraternizing with the gallant Seventy-first Regiment of New York. We hope they will stay with us all summer; and by and by, when this flag of ours shall float around the world, we trust, and the Nicaragua Canal is built, we believe that Denver will be the center of the entire world. (Applause.)

NORTH CAROLINA.

Joseph G. Brown, Citizens' National Bank, Raleigh: I am very glad to bring North Carolina's greeting to this Association, and to report her crop prospects and her business outlook as good. One of the city papers, in noting my arrival, referred to me as hailing from the "Turpentine State," and correctly so. In the old geographies, North Carolina's chief products were put down as "tar, pitch and turpentine." The good old State still abounds in these useful commodities, and, until this day, the average North Carolinian glories in the name of "Tar-Heel." Our great misfortune has been that many of our best men were not sufficiently *tarred* to make them stick at home. Opening opportunities have lured them into other States, where their intelligent skill and their resistless energies have, in many cass, won for them both fame and fortune. But a better spirit possesses us in this good year of grace. Our people have been awakened to the value of their inheritance. Their eyes have been opened to see their own land flowing with milk and honey. The railroad, engineered by native skill, has penetrated our mountain fastnesses, and revealed to an astonished world our beautiful "Land of the Sky." Vanderbilt looked the world over for a spot of unrivaled beauty, and found it only under our genial skies—and there, upon our glorious Western highlands,

> "Where Nature has shed o'er the scene
> Her rarest of crystal and brightest of green,"

he has poured out his millions, until a perfect wonderland has been developed, and in the midst of it his magnificent palace, worth a trip across the continent to behold.

I will not claim, Mr. President, that we have the best and fairest land on earth—but if old Father Abraham and his shrewd nephew, Lot, when they came to the parting of their ways, in their journey to the land of promise, had been permitted to stand upon one of our lofty western eminences, where their broadened vision might have rested upon our fertile fields, methinks the discerning eye of the young man would have sparkled with delight, and he would have lost no time in turning his steps toward that goodly land, and in pitching his tents there, rather than in the beautiful valleys along the banks of the Jordan, although these, the inspired writer tells us, appeared "even as the garden of the Lord."

Nature has indeed been very lavish in her gifts, and with open hand has scattered her treasures all around us. In our forests is found an infinite variety of wood. Our flora is varied and beautiful. Our quarries furnish the best qualities of granite and marble, and our mines are rich with valuable ores and glittering gems. In our natural resources we present as great a variety as any State in this Union. But for long years it has been our custom to ship all this raw material to other sections, to have the imprint of some one else's intelligence placed upon it, and then to buy it back at its enhanced value. To-day, however, under the inspiration of the new spirit that has breathed upon us, our own brain is directing and our own trained hands are giving to these things shape and symmetry and value, and thus adding many fold to our material wealth. Upon our luxuriant pastures the finest cattle are grazing. From our rich gardens we are furnishing the tables of our less favored Northern neighbors with early vegetables and small fruits. The brightest tobacco is indigenous to our soil, and our manufacturers have encircled the world with their golden belt, and with their product are now supplying the leading nations of the earth and the far-off isles of the sea. In cotton milling we have long had prominence. With more than a million spindles, 25,000 looms and 1,400 knitting machines, we are weaving into beautiful and useful fabric 50,000 more bales of cotton than our State produces annually. Our labor is desirable and cheap, and the most cordial relations exist between the owners and the operatives. Fuel is inexpensive and close at hand. Our magnificent water power equals three and a half million horse-power. Our cotton staple is excellent and grows luxuriantly and abundantly all around our mills. These advantages have attracted Eastern capitalists, and they are now adding their means to our own accumulations until it begins to look like the music of the mill will soon be heard from every hillside. But there is room and welcome for all.

Activity along these industrial lines has stimulated trade and quickened all business life, and we believe is purifying our political atmosphere. The banks have, of course, not failed to reap their share of the accruing benefits, so that even during the periods of financial depression they have been able to make good dividends and at the same time add satisfactory sums to their surplus for the protection of depositors.

Our State Association recently held its second annual session. It is young but vigorous and lusty and gives promise of much usefulness. Our State banks are under wise supervision, our laws being in many respects similar to the national banking laws.

The record of the banks for the past year shows increased capital, strengthened surplus and growing deposits. Whilst our banks are ever alert, and always endeavor to keep pace with the spirit of the times, yet they cling to the old conservative ways, attaching more importance to safety than to volume of business or increase of profits.

And finally, Mr. President, in that choicest of all products, beautiful women, in which judging from all reports every State abounds, we do much more abound. They are as abundant as is the beautiful golden-rod that bedecks the wide stretches of land over which we come to this beautiful city of Denver. And they are all young—they never grow old in our climate, and pretty, yes, "the fairest among ten thousand and altogether lovely."

And let me say, too, our men are brave and chivalrous, loyal to their State, loyal to the old flag, and as has been gloriously shown during the recent war ready to lay down their lives upon their country's altar whenever such sacrifice is needed. But, Mr. President, they esteem it a prouder duty to live for their country, that in the onward march of nations they may help her to win those greater victories, the victories of peace, which bless her people and make them happy and prosperous. (Applause.)

OHIO.

The President: Ohio will be responded to by Mr. M. M. White, President of the First National Bank of Cincinnati, and an ex-President of this Association.

M. M. White, of Cincinnati: The sunshine and rain from heaven have fallen on the hills and valleys of the State of Ohio, and we have abundant crops of everything to gladden the heart of man. We are happy and making rapid progress in education, culture and refinement. Our poorhouses are comparatively few, and luxuries are not confined to the rich, but scattered through the State. We are glad that Ohio is the home of our President. We have few strikes, showing a prosperous and contented people.

OKLAHOMA.

Otto A. Shuttee, Citizens' State Bank, El Reno: There is a quotation from James Whitcomb Riley which says that

"If you think nothin' just keep on;
But be sure and don't say it, or you're gone."

Now, I have not prepared any speech, but I don't want to let this opportunity go without saying a word. Down in Oklahoma we have been living too fast, but we have had to do so if we were ever going to catch up on the old part of the country. We have found that success in banking lies only in membership in the American Bankers' Association. (Applause.)

As to all that has been said here about crops and so on, let me just say that in Oklahoma we can raise anything that can be raised anywhere in this land. Our chief industry is the raising of cattle. (Applause.)

OREGON.

(No response.)

PENNSYLVANIA.

William Hackett, Cashier Easton National Bank, Easton: Mr. President, and Ladies and Gentlemen—Pennsylvania has always occupied a leading position in certain lines of manufacture and in the cultivation of its rich agricultural lands, but the opening up of new fields of enterprise, the development of resources of new sections of the country and the competition in our markets of the products of the rich fields of the West have somewhat interfered with these sources of revenue which added so largely to our wealth and gave employment to so many thousands of our people. Of course, the people of Pennsylvania have also been confronted with the difficult questions between capital and labor, by the discussion of the numerous social and economic questions which are yet waiting for solution.

Yet in spite of all these obstacles, Pennsylvania to-day has most favorable conditions, and looks forward to an era of abundant prosperity in the future. With her 800 banks and an aggregate of deposits running up into the millions, a State with a most complete railroad system, with a wise legislation, a uniform method of conducting the banking business, with her vast deposits of coal and iron and slate, with her hundreds of miles of canals, and her immense manufacturing interests, I think the thirty-eight delegates from Pennsylvania who are here in attendance at this Convention will join me in testifying that our State is able to report progress and the brightest hopes for the future. (Applause.)

Pennsylvania feels a deep interest in this Centennial State. Colorado, you know, was born the very year that the Centennial Exposition was held in Philadelphia, when the people of this entire country celebrated there the anniversary of the one hundredth year of our national independence, and the people of Pennsylvania—a State which by its position and its importance has been called the keystone of the arch of the Federal Government—feel a deep interest in this Centennial State, not alone on account of its marvelous resources, but because it is a commonwealth that was born in 1876; and I can assure you that though we are hundreds of miles apart geographically, we are near together at heart. (Applause.)

RHODE ISLAND.

(No response.)

SOUTH CAROLINA.

(No response.)

SOUTH DAKOTA.

W. A. Mackay, Madison: Mr. President, and Gentlemen—I have good reports to bring in from the land of reputed cyclones and blizzards. Could you see the seas of grain you would be enlightened. We have 40,000,000 bushels of wheat this year. Notice our mines, dairy products, etc. Contentment is with us. Populism is dead. We do not know what fail means.

I am going back to tell the bankers what a magnificent reception the people of Denver have given us, and I want to say to the members of this Convention, that if time should ever bring a meeting of this Association in South Dakota, we promise you that if you will come to Madison we will give you a royal time, one and all. (Applause.)

TENNESSEE.

To the President of the American Bankers' Association, Denver, Col.:

Dear Sir.—Contrary to my hopes and expectations, I find that it will be impossible for me to participate this year in the deliberations and pleasures of the annual Convention at Denver, and as Vice-President of the Association for Tennessee, what report I can present of the financial conditions of the old Volunteer State must be brief and less satisfactory than I could wish.

Since our Convention one year ago the banking interests of Tennessee have undergone no material changes, no failures were reported, and only a few new organizations have been effected. The State Association is in a prosperous condition, owing largely to the ability and great efficiency of our well-known Secretary, Col. John W. Faxon, who is a "wheel-horse" in everything he undertakes.

In banking circles, the past year has witnessed a great change in the *personnel* of officers of many of our leading banks, those in Nashville and Memphis particularly, and while some of the "old stagers," like Col. Gwynn, Judge Latham and the writer, have dropped out of the field of action, new and well-equipped men have stepped into their places, and the bosom of the financial sea has shown no disturbing billows.

A great effort is being made to induce immigration to our State from all sections of the country, and in the presentation of our rich and limitless undeveloped resources. The master hand and pen of that well-known banker, Hon. Herman Justi, are particularly conspicuous. We think that no State in the Union offers more advantages to the farmer, mechanic or manufacturer, than Tennessee, and it will be only a question of time when the tide of emigration will set southwards, and a new era of prosperity come to this section as a reward for the efforts of those who have seen and profited by the opportunities now presented. The recent war with Spain, in which every State of our glorious Union nobly discharged its duty, has practically effaced all sectional lines and partisan animosities, and good citizens from every part of this grand Nation—and, if you like, nation spelled with a capital N—will be cordially welcomed to Tennessee, and from neighbor and new-found friend receive the right hand of fellowship.

Greatly regretting my inability to attend this year's Convention, and partake of the "feast of reason and flow of soul"—to say nothing of the Rocky Mountain *aqua pura*, which will doubtless be provided for the many unfortunate bankers who last year failed to make its acquaintance in Walkerville.

I am, Mr. President, Very respectfully yours,

C. F. M. Niles,

Vice-President for Tennessee.

TEXAS.

M. Lasker, Island City Savings Bank, Galveston: Mr. President, Ladies and Gentlemen—Texas a few years ago was known mainly as a producer of cotton and long-horn cattle. We still lead in cotton, but the long-horns have been improved upon and we raise better stock, and the exclusive production of cotton has given way under the low prices to a diversification of crops, which has resulted in bettering the condition of our farmers generally, as well as bringing to our merchants and bankers an increase of business.

In common with the most of the West we have suffered from a "busted" boom. In addition, we have suffered from a severe drought. Two good crops have put the farmers of that section in as good a fix now as that of the farmers in any part of the Union, I think.

Mortgages are rapidly disappearing. New homes are looming up, and all our people are prosperous and happy. (Applause.) Dollar wheat has proved the fallacy of the idea that Lombard Street and Wall Street dictate the price, and the farmer to-day knows better. During the last campaign it was said that the United States must not attempt to set up a financial system, because that had been established by England, which was reason enough why we should let it alone. But, gentlemen, the war with Spain has taught us better.

Our people know that we have no better friend than England, and we are all convinced that to the Anglo-Saxon race belongs the mission to liberate the world. (Applause.)

Thus we start into the future with great hopes, and while we feel proud of the great development that has taken place in the last few years, still we are prouder than all to-day of the fact that we have as large a stock of patriotism for the Stars and Stripes as any people in the United States. (Applause.) With the exception of the State of Georgia, we have always furnished the largest Democratic vote, but we have as great a stock of admiration for the Executive of this Nation, who has with modest dignity presided while we are being glorified before the whole world, as the people of any State (applause); we are proud that our Democracy does not keep us from vying with you in admiring such a President. (Applause.)

UTAH.

G. Q. Cannon, Zion's Savings Bank and Trust Company, Salt Lake City: On behalf of the State of Utah I would say that our progress at the present time is commensurate with that of the other States that have been represented here. We have the honor of being the youngest State; and with Pennsylvania, the Keystone State, and Colorado, the Centennial State, our sons have upheld the honor of the American flag at Manila, standing side by side. (Applause.)

In Utah our crops are good. Prices have been uniformly good. We raise large quantities of live stock, particularly sheep. The value of our wool as compared with two years ago has nearly doubled.

Our mining industries are also in a prosperous condition. We have one of the largest cyanide mills in the world for the treatment of gold ore.

I have laid upon the Secretary's desk an invitation for the delegates and guests of this Convention to visit Salt Lake City. I hope it will be generally accepted, and that you gentlemen from the East, especially, after having traveled so far, will not be content to go home without crossing the Rockies. (Applause.)

VERMONT.

(No response.)

VIRGINIA.

The President: Virginia will be responded to by Mr. W. G. Elliott, President of the Atlantic Coast Line.

Mr. Elliott: This is really a surprise that I should be called upon for the State of Virginia—not that I was not given sufficient notice that it was desired I should do so, but from the fact that I had so recently urged them to let me off. I assured them there was better material in the Virginia delegation to select from, and I went so far as to say that I had been down to see that gentleman on Broadway who it was said could write speeches, to ask him to write me one to make to-day, and he said: "My dear sir, I am head over heels in the work writing speeches for the delegates from the other States. I have exhausted all the material; what can I say for Virginia?" (Laughter.) So I was left to sympathize with my friend who expressed his regret that he came so far down on the list that there was nothing left for him to claim.

Virginia simply desires to report that she is enjoying an era of prosperity from the mountains to the seashore. She has those oysters that are born without legs, which have been claimed by Maryland. She has an oyster mine on her eastern coast, the Chesapeake Bay, where we get the terrapin and the crab and the no-legged oyster, and everything good to eat, including the canvas-back duck; and when I heard one of the speakers talking about all they had in his State, I felt sorry for him that he hadn't been to Virginia. He had one advantage of me, however, in that he was able to bear testimony as to the quality of the water in Michigan, in referring to Kentucky whisky. I am afraid that I am too much like one of our citizens who went to Congress and undertook to settle a colony at Hampton Roads. He brought a committee down there to investigate. When they asked him about the people in the neighborhood he said, "Why, they are the F. F. V.'s." "How about your churches?" "Why, they have been building them since 1640." "Any school houses?" "Why, you will strike them every half mile. We have every advantage in the world. A healthy location; no malaria; mosquitoes can't live here." "How about the water?" they said. "Great heavens," he replied, "you've got me now. I have been living here forty years, and I never tasted it." (Laughter.) In that respect the gentleman from Michigan has the decided advantage of me, because the hat which I brought here, which was a pretty large one when I arrived, I find to be too small to-day. (Laughter.)

I am glad, Mr. President, that you told these gentlemen that I was not a banker. I have had a great deal to do with banks as a borrower, but this is the first time in my life that I ever undertook to address so many men collectively that could certify checks. It has been my custom to take them off singly and to hear them say, "That is all right, I will put it to your credit."

In conclusion, allow me to say that it is left for me to claim for Virginia simply all that has been claimed for these newer States and to add about ten per cent for age. (Applause.)

Before I sit down I want to express the gratification Virginia feels at the glowing reports that have been made to-day by many of her children. We are glad to see you are all prosperous and happy. We are glad to see that each one of those States that was ceded to the Union by Virginia is a little better than the other. Virginia still remains proud of her past; she is contented with her present, and most hopeful for her future. (Applause.)

WASHINGTON.

(No response.)

WEST VIRGINIA.

(No response.)

WISCONSIN.

C. F. Ilsley, of Marshall & Ilsley Bank, Milwaukee: Gentlemen, you have heard the glories of most all the States in the Union pictured to you in eloquent words. But words do not do justice to the variety of the industries and the products of Wisconsin, and I therefore intend to leave them all to your imagination. I simply ask that you will give full play to your fancies in order to do Wisconsin justice. (Applause.)

WYOMING.

Henry G. Hay, Stock Growers' National Bank, Cheyenne: Mr. President and Gentlemen—I had a speech prepared in my mind, but I have been waiting so long until my turn came to speak that I have forgotten about nine-tenths of it.

We have been pleased at the great unanimity of this Convention on two subjects: one is the safety of our institutions at home, and the other is the total condition of collapse of her representatives in Denver. (Laughter and applause.)

Now, while Wyoming is perhaps too young to be in that kind of company, still we are with you on both propositions.

I can say one thing that has not been said for the other States. In Wyoming we have the largest number and the greatest field of undeveloped resources of any State in the Union. I could talk to you, too, for an hour and give you statistics about our undeveloped resources, such as coal, iron, oil—all furnishing a safe field for investment. I can assure you that our loans and base of securities were never heavier and better generally than they are now. Our small per capita debt and our bank statement speak for themselves. Our resources are of a character that require capital to develop them, and there is no safer place in the Union for investments to-day. (Applause.)

THE PRESIDENT: Gentlemen, this finishes the most interesting Call of the States that we have ever had, and I beg to thank you for the services you have rendered in this respect.

We will now proceed with the rest of the programme.

The Secretary then read an invitation to the delegates to visit Salt Lake City.

JOHN FARSON, of Chicago: I move that a vote of thanks be extended to the gentlemen from Salt Lake City for this cordial invitation.

THE PRESIDENT: Gentleman, you have heard the motion that a vote of thanks be extended the citizens of Salt Lake City for this cordial invitation. All in favor of the motion will manifest it by saying aye—opposed, no. Carried.

THE SECRETARY: A telegram has been received from Mr. E. H. Pullen, of New York, in response to our message to him yesterday.

THE PRESIDENT: The next topic on the programme is the "Patriotic Spirit of Bankers," and I have the pleasure of introducing to you Mr. J. D. Powers, the President of the First National Bank of Owensboro, Ky., who will open the discussion of the subject.

PATRIOTIC SPIRIT OF BANKERS.—BY J. D. POWERS, OWENSBORO, KY.

A long course of prosperous industry does not unfit those who have been winning the spoils of peace for the defense of their country at a time of great national danger, the accumulations of peace being the true resources of war. Paradoxical as it may seem, the subject assigned me may be abridged by expanding it so as to make it read: "The Patriotic Spirit of Bankers of America." So from the subject thus "abridged" I shall proceed to the discussion of the topic.

Whilst the subject does not question that the love of country is general with all classes, it does assume the prevalence and diffusion of the spirit of patriotism among that class whose representatives are here assembled, and accentuates its existence as a characteristic thereof.

Honor, patriotism, reverence, all things which our fathers esteemed as more precious than gold, have not departed, but as a rich heritage have been transmitted to their sons, and stand out as pre-eminently in the character and acts of this generation as they shone resplendent in the days of the Revolution. Though there is necessarily a distinction between the acts of heroism and those of patriotism, they find unity in the accomplishment of high resolve and noble purpose, when uninfluenced by the ends of vainglory, or the glamour of the deeds to be performed.

So, looking first at the heroic side of patriotism, we see the patriotic spirit of those who personally answer the call of their country for its defense, its protection, its honor, its glory, and its renown. Without distinction of party, place, position or section, they consecrate their lives to its glory. Some leave the quiet country home, with meadows, brooks and flocks, giving a fond and perhaps final adieu to mother, sister, or sweetheart, and with a father's blessing go forth to return, perchance, no more forever. Others, giving wives a fond, last embrace, looking lovingly upon the blessed bonds of their union asleep in the cradle, or prattling about their knees, little recking of the woes that betide them, rush under the exciting influences of the hour to meet the enemies of their country.

We see them in the tented field, alert for every duty, actuated by lofty desire, and driven on by a patriotic spirit, eager for the fray, anxious to meet and defeat the enemy. In answer to the order "Forward, march!" they keep quick and regular step to the music of the nation. See them on the lonely sentinel's beat, standing guard under the quiet stars, or in the raging storm. See them at their post of duty with the missiles of death showering about them. See them advance in the face of the galling, deadly fire, as they go, breasting the hail of shot, the storm of battle, the thunder of the oncoming foe, the lightnings of hell, to victory or to death. Some wildly exultant over the great victory won, others, alas, wounded, bleeding, frenzied with thirst while the stream of life fast ebbs away, dying, dead. Where in all this carnage are the Florence Nightingales, the Clara Bartons, the noble women of the Red Cross, whose gentle touch, angelic look, sympathetic kindly word and helpful hand allay pain, quiet anguish, soothe the soul and give hope of the future, peace to the dying, and consolation beyond the grave? Think you that the spirit of patriotism in them is less than in those to whom they are as ministering angels? What of all the blare of trumpets, the waving of banners, the pomp and circumstance of war, without the sinews of war, without the money and credit to sustain it?

What then is the first great care of a nation about to engage in war, offensive or defensive? To look well to its finances, and to see who will sustain the Government's credit, and furnish the means with which to provide the army and navy, and having provided them, to provide for them. Where, and to whom, does it look? What spirit is invoked to work out the problem but the patriotic spirit of bankers? In this glorious land that spirit has never been wanting from the time that Robert Morris answered the call and furnished Washington the means to win the battle of Trenton, even down to the glorious, though bloody, field of Santiago.

PATRIOTISM OF THE EARLY BANKERS.

New Year's morning, 1777, Robert Morris went from house to house in Philadelphia, rousing the people from their beds to borrow money with which to relieve the destitution of Washington and his men, and early in the day he sent $50,000 with the reassuring message that "whatever I can do shall be done for the good of the service. If further supplies of money are necessary you may depend upon my exertions either in a public or private capacity."

Later on, when the public credit was at its lowest ebb, and the public exigencies most pressing, a banking institution was organized by a few patriotic citizens for the sole purpose of sustaining the army, but no profits whatever were to be derived from its operations by those who had subscribed the £315,000 as its capital stock.

Growing out of this association, the Bank of North America was organized by Morris and his associates, who pledged their private fortunes to sustain the credit of the bank, and through it were all future obligations of the Government promptly met by the patriotic spirit of those early bankers.

When later, in 1812, the credit of the Government was so low and doubt and distrust were so great that it was impossible to float the bonds of the Government, to enable it to defend itself for a second time against the aggressions of England, Stephen Girard, the great Philadelphia banker, came to its rescue, and took millions of its securities, and re-established confidence and sustained its credit to the end that we were enabled to crush the enemy and once more enjoy the blessings and prosperity of peace.

More than a third of a centry later, in the war with Mexico, the same spirit which had actuated Morris and Girard enabled our soldiers to stack arms in front of the halls of the Montezumas, and left us at the conclusion of peace with a vast and rich domain added to our possessions.

When grim-visaged war unrolled his wrinkled and horrid front within our happy and prosperous land, and threatened with destruction that for which so much blood and treasure had been expended, the needs of the Government were promptly met by the bankers of America in a spirit of lofty patriotism, and they gave ungrudgingly of their gold on the promises of the nation, and continued so to do, until, in an evil hour of expediency, the then Secretary of the Treasury foisted upon the country an emergency money which closed the doors to the vaults of gold, and inaugurated a desperate game of speculation, the evil fruits of which have not ceased unto this day.

But the patriotic spirit of American bankers has not alone exhibited itself in times of national peril and distress, as the result of war, but has shown its character and strength as well in the days of peace.

Growing out of the conditions made possible by Secretary Chase's financial policy, there remained a dangerous residuum in 1894, and unfortunately still remains, of about $500,000,000 of currency notes of the Government for which gold may be demanded, but which when re-purchased by the Government with gold cannot be retained or canceled by it.

Thus there were existing ills for which there was no adequate remedy, causing the then Executive, and his most excellent Secretary of the Treasury, to protect and replenish the gold reserve by putting upon the market $50,000,000 of bonds, authorized under the Act of January 14, 1875, and subsequently in November of the same year to duplicate the issue, thus realizing to the Treasury more than $116,000,000 in gold; but in the same period of time, through the processes of this greenback endless chain, nearly $103,000,000 in gold was drawn from the Treasury, and within the succeeding sixty days more than $69,000,000 additional gold was so withdrawn, and in the language of President Cleveland, "These large sums of gold were expended without any cancellation of Government obligations, or in any permanent way benefiting our people or improving our pecuniary situation."

Thus confronted with serious conditions that were fast tending to the destruction of our national credit, and seriously affecting our financial standing at home and abroad, without the sustaining power and helpfulness of Congress to beneficially enlarge the powers of the Secretary of the Treasury in the premises, the Executive and Secretary were compelled in order to protect the country and its credit, to make still another bond issue in February, 1895. These bonds were negotiated at a premium to be allowed to the Government, so as to fix the rate of interest upon the amount of gold realized at three and three-quarters per cent. per annum; but actuated by a spirit of patriotism the bankers who were to become the purchasers proposed to the Government that if they would allay the suspicion and deprive the bonds of the uncertainty as to the kind of money in which they would be paid, and make them in terms, as everybody felt confident and sure that they would be in fact, payable in gold, they would take the entire issue at three per cent., thus saving to the Government by the terms of the bonds, and the price to be paid therefor, $16,174,770; but Congress, swayed by popular financial fanaticism, refused consideration of the President's very urgent message imparting these facts and conditions, and thus the Government by political demagogy was forced into an enormous ultimate loss over the most earnest protest of a President and Secretary whose high character and sound judgment have never been, and likely never will be, surpassed in the history of this Government.

ATTITUDE OF THE BANKERS IN THE LATE WAR WITH SPAIN.

But now to the conditions that are present with us, and the developments that have been brought about by the war which has been forced upon us as a rebuke to our philanthropy, our protection of the helpless, and the feeding and care of the starving.

The present Secretary of the Treasury made a visit to New York prior to the issuance of the bonds of the Government, and although the threatened dangers and insecurities of war had caused the people of the country to withdraw from the Savings banks large balances, and to hoard them, and in turn these Savings banks had called upon the commercial banks for their balances, and money in New York was worth six per cent., fifteen of the leading bankers of that great financial center called in a body upon the Secretary and assured him of their patriotic desire to see a three per cent. loan not only floated at par, but, to enable him to make it a popular loan without fear of its miscarriage, they agreed to take the whole, or any part, of the $200,000,000 at par.

With this splendid financial backing the Secretary issued his call for subscriptions to the bonds, and almost immediately upon its announcement, nearly double the amount of the loan was subscribed for, that there might be reassurance of the promises theretofore made, and by this aid and assistance of the bankers the loan became a popular one, and has been scattered all over the country to those of moderate and small means, to the exclusion of banks and bankers.

But the history of bankers with reference to this loan does not end here. Out of thousands of letters received at the Treasury Department, coming from almost every bank in the United States, there was not a single instance in which any bank sought to have commissions paid to it for placing this loan, but, on the contrary, the universal expression was a desire to help the Government, and to render any service that might be required of them in connection therewith, free of all cost.

From the heights of Bunker Hill to the bloody crest of San Juan, one spirit, animated by love of country, has pervaded our soldiers, whom no difficulty deterred, and no danger dismayed, whilst our bankers in the most trying moments maintained their courage, constancy and confidence unshaken, always ready to uphold the integrity of the country at every hazard. The great heart of the nation vibrating in sympathetic tones with each patriotic breath, from the North, South, East and West, feels no pang of sectional discord, but thrills equally at the unexampled feat of that gallant son of Vermont in far-off Manila Bay, and the daring self-devotion of the intrepid son of Alabama in Santiago Harbor. Swelling now in grateful recognition of the glorious victory by land and sea achieved in Cuba, it mourns the loss of the brave men who suffered and died to spread the blessings of free government. Its true heart cannot fail to recognize those who, unacquainted with the stern and cruel physical facts of war, and unallured by its glare and pomp, have ever stood as a mighty bulwark sure and steadfast upon which the Government could at all times depend for help and succor in time of need.

Thus unalterably fixed, like the sun in the center, this country shall shine with unborrowed lustre, diffusing its rays of light, liberty and progress on the nations around us.

> "Whilst o'er us, one flag shall float,
> One song ascend from every throat;
> That flag, the banner of the free,
> That song, the song of liberty."

C. A. PUGSLEY, of Peekskill, N. Y.: It seems eminently fitting that following these admirable patriotic addresses, which have touched a responsive chord in all our hearts, the committee appointed by the Executive Council to prepare a congratulatory message to the President of the United States should make their report.

All sections of our great country are to be congratulated upon the result of the war. As one has said, upon what it has gained above all its losses, this land may well felicitate itself. Its renewed and augmented union; its proud development of military strength, such as even the warrior empires envy; its enlarged humanitarian horizon and range of interests, are all benefits of the highest order to this nation, as has been expressed here to-day by the delegates from Maine to Texas. We rejoice that through the cool judgment of President McKinley, and the magnificent work of our army and navy, the pathway has been so quickly hewn for the radiant footsteps of the Angel of Peace.

I have the honor to submit for the approval of the Convention this message:

To the President, Washington, D. C.:

The American Bankers' Association, in its Twenty-fourth Annual Convention, assembled at Denver, Col., representing banks of every State and Territory, begs most heartily to congratulate the President of our beloved Republic upon the successful conduct of the war and the brilliant achievements of our army and navy and the prospect of peace.

I move you, sir, that this message be sent to the President of the United States, signed by the President of this Association.

W. L. ROYALL, of Richmond, Va.: In behalf of the South I beg leave to second the adoption of this resolution. I have no right to speak for the South, perhaps; but I can speak for Virginia, and I can speak for the Confederate soldier, for I wore the gray from the beginning to the end of the war. (Applause.) And, sir, I want to say to this Convention, pass that resolution; and I want the President of the United States to understand that he has the hearty support of the Confederate soldier in the course he has pursued in this war with Spain. (Applause.)

For a long time, gentlemen, the people of the North did not understand the Confederate soldier in respect to the Union and that flag. We fought out our fight like men, feeling at the end that we had nothing to be ashamed of, but that we had a glorious record to point to. We laid down our arms when overcome by superior forces with the pledge of our sacred honor that we abandoned the cause for which we fought, and we were just as loyal and true to that pledge as we had ever been to our cause while we were fighting for it. (Applause.)

Now the North is learning that the Confederate soldier looks upon these United States as his country and upon that flag as his flag, for which he is ready to lay down his life. (Applause.)

Sir, I rejoice that this Spanish war came, for it has given us the opportunity to demonstrate to our fellow citizens of the United States that the issues of the past are ended, and that we of the South have set our faces toward the future for all time. (Applause.) The past was to us but a glorious memory—a memory nevertheless—and for the future it was to be the union of our States.

You are justly proud of your Miles, your Sampson, and we are proud of our Fitzhugh Lee, our Wheeler and the others who have shown the world that the Confederate soldier looks upon this entire land as his country and is ready to shed his blood for it. (Applause.) You exult in the heroic conduct of your Wood and your Roosevelt (applause) leading their Rough Riders, God bless them, but shall we not glory in that old Confederate veteran, General Joe Wheeler? (Applause.) And if he did say at Santiago, "Come on, boys, don't you see the Yankees—I mean the damned Spaniards—are running?" heaven forgave him for the oath, I think, in consideration of this mingling of the old blood with the new. (Applause.)

Capt. Robert J. Lowry, of Atlanta: Mr. President—Banks are business civilizers. They are conservative, they set the example for honest, correct principles as the rule of conduct. Show me a town or city where the banks are successful, and I will show you a thrifty community, labor getting steady employment, and everybody satisfied and doing well. The banks and the people have common interest; consequently the old idea that banks only prosper when times are hard, and all other occupations lag, is fast disappearing. They thrive or suffer together. Banks are not only conservators, but promoters of prosperity, by extending help to legitimate enterprises calculated to enlarge the trade and general welfare of the community, which in turn increase the business and success of the banks. These facts are sweeping away another old idea—that the banking business tends to selfishness.

Being at the fountain head and basis of a people's prosperity and interwoven with all the elements of public progress, the bank of necessity is vitally interested, and the banker thereby warmly enlisted, in all that makes for the glory and honor, the weal, the aggrandizement and expansion of the country. And what is patriotism but this—fidelity and devotion to the great interests which build up one's country in all directions?

It is, therefore, no matter of surprise that bankers are, and always have been, patriots. It is not only their interest to be so, but it is the natural tendency of their business to make them so.

In times of war, from our earliest history, the banker has been a prime factor in the support of the Government, as evidenced by the examples of those grand patriots, financiers and bankers, Alexander Hamilton and Robert Morris, in the American Revolution. When Robert Morris gave his services freely to his country, and came to the help of the Continental Congress by pledging his personal credit for over a million of dollars to procure army supplies, he illustrated that spirit of patriotism which has animated and dominated American bankers in every period of our national existence.

Every one knows how nobly the banks, North and South, responded to the call for money for carrying on the Civil War. We opened our vaults to the Government, saying in effect: "All we have is yours, use it for the country's good."

But our dissension is a thing of the past, thank God! We now live and fight under the same old flag, knowing no North, South, East or West, but one common country for us all, as completely demonstrated by the present war with Spain. Among the reunited elements battling under this common flag and for this common country, banks and bankers have again given notable illustration of their exalted patriotism. When the Government called for subscription for bonds to raise money to conduct the war, from banks and bankers in every section came a response sufficient to furnish over and over again the amount required. Likewise, if my allotted time permitted, it could be shown that in our soldier ranks are many from the banking circles of the country.

But "Peace hath her victories no less renowned than war." Patriotism is equally prevalent and equally great in times of peace as in times of war. In national crises, who come more promptly to the aid of the Government and people than banks and bankers, wherever there is need of financial aid to sustain the national credit? They are conspicuous in the advancement of all great movements for national, State and municipal progress. And here I may add this thought, there is no truer patriotism than exhibited in bearing cheerfully and honestly a just share of the burdens of government. The State and municipality get every cent of tax the banks are liable to pay; there is no shirking, no shipping securities to other points to avoid taxation, but they pay patriotically their full tax on capital and surplus, and frequently on undivided profits. I believe I can say without fear of successful contradiction that if all other corporations and persons in other avocations paid their taxes in the same honest way that the bankers do, the tax rate would not be over one-third of what it now is. It may be further added that in every community, among the most public-spirited citizens, in contribution of time, talent and means, we always find the bankers.

And now, through the efforts of all classes of our people, a wider national life opens before us. In the past we have been keeping time, and splendid time, to the music of national progress. We have added a new note to the "drum-beat around the world." We have shown a patriotism that can go beyond love of ourselves and take in our neighbors—a patriotism willing to engage in struggle, not for national glory or domain, but for humanity and the uplifting of humanity pure and simple. The growing fellowship of the Anglo-Saxon peoples will carry us into the great work of controlling and uplifting the world. In this enlarged sphere of endeavor, in welding the nations of the world together, in the onward march of a peaceful progress, there are oceans to be joined by waterways, continents to be tied together by cables, nations to be united by international railways, and other great things to be done, requiring a mighty outlay of money and brain; and we may be sure, as in the past so in this glorious future ahead of us, banks and bankers will do their part, and do it well. (Applause.)

THE PRESIDENT: Gentlemen of the Convention, the question is on the adoption of the message prepared by Mr. Pugsley for transmission to the President of the United States. All who are in favor of its adoption will signify it by saying aye—opposed, no. Adopted.

In the absence of Mr. James T. Hayden, President of the Whitney National Bank, of New Orleans, his paper on "The Bank Clerk" will not be read at this time, but will be printed in the minutes of the Convention.

The same rule will apply to the paper by Mr. E. H. Pullen, of New York, on "Thirty-seven Years in a Bank."

We regret very much the absence of the gentlemen, but inasmuch as the time is so short and we have so much to do, we cannot read the papers, though you will all have an opportunity to read them in the published report of our proceedings.

[The papers are as follows:]

THE BANK CLERK.—BY JAMES T. HAYDEN, PRESIDENT WHITNEY NATIONAL BANK, NEW ORLEANS, LA.

Mr. President and Gentlemen—I so thoroughly appreciate the energy, intelligence and unselfish labor that have been given to this Association by its officers, that a request from them is almost an order, and I am honored in being invited to assist in carrying out the programme which they have thoughtfully arranged.

The subject allotted is the "Bank Clerk." A long and close intimacy with them individually and as a body impresses me that the high esteem in which they are held as citizens and builders-up of the institutions of which they are a part has been justly earned, and I wish I might convey to you my appreciation of their value.

OVER-WORKED BANK CLERKS.

An over-worked clerk ceases to be reliable, and when it is found that an employee is nightly at his desk, working over-time, one of two things is at once evident—either he is incapable or over-burdened. In either case the remedy is plain, and prompt action should be taken—he should be changed to a position that he would be fully qualified to fill, or he should be relieved of an unjust burden by an assistant.

I believe that many of the tragedies that have wrecked the life and saddened the home of some poor fellow who is supposed to have "gone wrong" might find a solution in the fact that his weary hand and jaded brain were, from pure exhaustion, incapable of avoiding the error that led to disaster.

Banks being the depositary of the people's cash or securities, and the dispensers of vast credits, are charged with a responsibility that cannot be overestimated, and to properly carry out their mission must be assisted by the highest order of integrity, intelligence and ability—perhaps above all they must originate and adhere to a carefully-devised system. Relatively, the responsibility of the clerks in the department is as great as that of his superior. We all know when the daily balance is struck that an error in one department may throw the nicely-adjusted machinery of the bank out of gear, in which event the vexatious checking of possibly the entire day's operations may be necessary.

The bank clerk, by reason of what is required of him, must possess (in addition to the qualities of integrity, capacity and intelligence mentioned) rapidity, and almost unerring accuracy and the power and inclination during working hours of centering every faculty on the work in hand. Coming into contact as he does with all manner and conditions of men, he must intuitively know how to meet them. The faculty of being courteous, impressing the bank's client with the idea that he is being treated with consideration, and that his wants are attended to expeditiously, fairly and pleasantly, adds to the value and reputation of the bank clerk; want of tact, hasty expressions, or a disagreeable manner, have and will close many a valuable account.

VARYING FORMS OF BANK BOOKKEEPING.

I think it will be conceded that in no branch of business has the practical science of bookkeeping in all details been brought to greater perfection than in our banks, and at the same time it is true that the keeping of our accounts vary widely. Bookkeeping is really the evolution of practical experience and intelligence; the form will be that which is believed to insure the greatest safety and accuracy with the least labor; but all the safeguards which are used, and checks which have been devised, never have been, nor will be, effective unless an honest hand guides the pen which makes the entry.

In view of the vast sums that pass through the hands of the clerks, and the rare, *very* rare cases of betrayal of trust, do you not agree that the bank clerk is entitled to the high standard of commercial honor that he holds?

RESPONSIBILITIES IMPOSED ON BANK EMPLOYEES.

With no desire to disparage those engaged in the various branches of trade or mercantile life, I believe the bank clerk's responsibilities decidedly exceed theirs. Even that ever-busy messenger, while folding his mail with its important enclosures, realizes how much depends upon the correctness of this simple work, for he knows that a misdirected envelope may mean protest to a correspondent.

The runner, with his numerous bills, drafts and bills of lading, is daily entrusted with a fortune. The tellers, receiving and distributing large sums, must ever guard their desks with lynx-eyed vigilance, ready to detect the scheming and fraudulent, and correct the errors of the careless or unbusiness-like. The note, exchange, collection and discount clerks can never be too sure of the accuracy of their calculations, maturities, or of the proper record and distribution of their entries. The general and individual bookkeepers, upon whose accuracy and honesty so much depends, absorbed in the array of figures, often interrupted to verify some checks, or furnish a balance, must ever remember that an error of one figure may result in serious loss.

Generally speaking, a bank can no more succeed without full accord and confidence between the officers and clerical force than can a government with a divided and wrangling cabinet, or an army who mistrust their officers, and sullenly or unwillingly obey their orders. Indeed, I am tempted to go a little further, and claim that the relations of bank officers and bank clerks should be fraternal. Founded upon the rock of mutual respect, recognizing the fact that mutual success depends upon united effort, there should be a bond of kindly feeling that would make the officer as quick to recognize the value and advance the interest of the clerk as the latter should be to be proud of and forward the interest of the bank.

Mr. President, I had fully expected to have had the pleasure of being with you to-day, and sincerely regret that it is not possible. After the business of the convention is ended, and the social feature is in order, when the viands have been removed and the glasses are charged, may I ask the presiding officer to offer this toast: "To the Advancement and Happiness of Our Friend the Bank Clerk."

THIRTY-SEVEN YEARS IN A BANK.—BY E. H. PULLEN, VICE-PRESIDENT NATIONAL BANK OF THE REPUBLIC, NEW YORK.

Mr. President, Fellow Members of the American Bankers' Association:

Gentlemen—The title given to the address I am to deliver presupposes that I am to talk about the experience and observation of some one who has been thirty-seven years in a bank.

If that person is some one other than myself it would be easy to be impersonal, but the natural conclusion is that that person is the speaker himself, and admitting this, two questions propound themselves to my consideration.

First, what shall I say, and second, how shall I say what I propose without obtruding my personality on your attention and be guilty of insufferable egotism ?

Others, though not many, may have served longer and very probably more efficiently than the speaker.

Nevertheless, thirty-seven years is a long period of service in a bank, and the same bank.

To give even a partial, condensed review of the experience and observations of so many years would consume too much time and weary the hearers.

It would be superfluous to allude to the prominent events that, during the long period from 1860 to 1898, have affected finance and the banking business.

Those events are interwoven with history, easily accessible to the student and doubtless familiar to many, if not all, of the bankers assembled here to-day.

Civil war, panics, suspension and resumption, legal tenders, commonly known as greenbacks, large issues of Government bonds for war purposes. organization of banks under the National Bank Act, the patriotic service the banks rendered to the Government, silver purchases materialized in a volume of silver certificates, all easily absorbed in our monetary system without producing financial indigestion—all these events and others of approximate prominence that transpired in that period suggest themselves to your minds.

My banking life began when civil war was imminent, and soon the clash of resounding arms was heard, brother was arrayed against brother, and the fate of the Union hung trembling in the balance for long, weary years of fratricidal conflict.

To-day, thank God ! the Union is not only preserved, but is indissoluble—we are united, battling side by side for our national honor and the great cause of humanity, and our hearts pulsate with a common love for our country and our flag.

It is my purpose to draw a few deductions and lessons from an extended general experience and observation, not restricting myself to the narrow field of the particular bank with which I have been connected, but rather outside and independent of it.

There has been a gradual change in the methods of clerical work in banks. and to-day's methods are radically different.

The ledger, in those days, was generally a record of all the details of each account. The correspondents' remittance letters were copied in the ledger and all checks appeared to the debit, each one charged separately with the number thereof and statements of account made in the same way.

To-day each bank has a system of its own, condensing and simplifying the work. The speaker knows of banks in which the ledger is a condensed record. The correspondents foot their remittance letters, often consisting of several sheets, and after the items are carefully compared and the footings verified, the aggregates are posted from the letters to the ledger, and the checks drawn are debited in the aggregate.

The details of each account appear in the monthly or semi-monthly statements which are written up daily by clerks other than the bookkeepers, and by these statements the exchanges received through the clearing-house and the afternoon work as well are proved.

These statements are carefully copied in letter press before mailing, bound up monthly and constitute the only and sufficient record of the detail of accounts.

The remittance letters, with their date, appear on the credit side of the statement on day of their receipt, and checks on debit side, with number of each.

These debits and credits are made direct from the original papers, and no intermediate books are used.

Thus a great saving in clerical labor and stationery is effected.

The collection department is conducted in the same way—no books of record are kept of so-called foreign items received either as cash or for collection.

The letters to correspondents in various parts of the country to whom these items are transmitted are the only record preserved, and duplicates written simultaneously with the originals are bound up daily.

Under this system each corresponding bank and each depositor other than banks has a number which appears in the margin of these letters indicating from whom each item was received.

The number also appears on all letters and items received from correspondents and on all checks drawn by them. No pass books of city customers are balanced, but statements made up to the last day of each month, inclusive, are rendered the following day.

Each account on the ledger and the statements thereof are known by its number.

The same system extends through the various departments of the bank, linking each to the other and forming a chain.

This method effects a natural saving of time, labor and expense, and is infinitely more satisfactory than the ancient, cumbersome and circumlocutional system that involved the duplication and triplication of labor and a multiplicity of books.

The methods of conducting the routine work of banks have in a large measure been revolutionized, simplified and improved by the use of the typewriter, stenograph, phonograph and other modern inventions.

None of which, however, nor all of them combined, can supersede faithful and competent clerks. Machinery cannot furnish brains, but brains can utilize machinery.

You may adopt all the checks and safeguards that human ingenuity can devise or long experience suggest to prevent defalcations or fraud in the clerical force and official staff, but after all, in the final analysis, the question resolves itself into one of trust or faith.

With the introduction of the National Bank System came almost simultaneously the payment of interest on bank balances and sharp competition between financial institutions to secure deposits.

In order to accomplish the latter result inducements in the way of interest were offered to banks, and in recent years the same offer has been made to attract, as well, large individual and corporation deposits.

Prior to 1861 interest on balances was paid with rare exceptions by banks, except banks of savings.

Banks at that time wisely and justly held that they were organized to make money by the employment of their capital and deposits, so that to buy deposits then would have seriously reflected on the banks so doing and impaired their credit.

Nevertheless, this pernicious practice, instead of decreasing by reason of unfavorable experience, has grown with the passing years, and has become so fastened on banking methods that it will require heroic measures to dislodge it.

The results of this practice are clearly manifest in the congestion of money during protracted periods of each year in the large cities, which it is impossible to employ at even a saving rate, so that practically during those periods large balances on which interest is paid are a source of loss instead of profit.

Just as soon as a demand for money arises and opportunity is presented for its employment at remunerative rates the balances are materially reduced.

In other words, when we cannot use the money profitably we are flooded with it, and when we can use it then it is largely withdrawn.

When we buy deposits at two per cent. per annum the money costs us 2 2-3 per cent., and when we buy them at 1½ per cent. it costs us two per cent.

Taking the required reserve into consideration, deposits we purchase cost us just one-third more than the rate we pay, not taking into account the expense involved in the care of a large volume of business growing out of numerous accounts and interest-bearing deposits.

Since the inauguration of this practice the legal rate of interest has been reduced in various States. Railroad mortgage bonds bearing interest, respectively, at 4 and 3½ per cent. are selling at a premium; real estate mortgages for term of years at from 3 to 4½ per cent., and the earning power of money at this time is certainly not over four per cent.

With large purchased balances, banks, to employ the money, frequently make investments that are more or less speculative, or purchase large volumes of single-name paper from note brokers, which is attended with at least a degree of risk.

When deposits are largely withdrawn by the banks receiving interest, and withdrawn because they can use their money more profitably at home, then contraction succeeds expansion, with its inevitable hardships.

Towns of ten thousand inhabitants and over throughout the country are invaded nowadays by the Eastern note brokers and banks offering low rates to their merchants, manufacturers and others, thus cutting seriously into the business of local banks.

With increased facilities to borrow money at much less than home rates, these merchants and others often undertake business ventures out of proportion to their capital, and eventually realize to their sorrow that the so-called cheap money has cost them very much more than the rate, and that in order to save themselves they have to fall back on their local banks for needed help.

Neither did old-fashioned banking include the furnishing of capital to customers, but strictly confined accommodation to the discounting of acceptable notes given for value or secured by satisfactory collateral, thus restricting borrowers to well-defined limits.

Within the then existing limitations no such extended, continuous investigation and rigid sifting of credit were necessary as are imperatively demanded to-day.

Accommodation paper was not favorably regarded, and single-name paper without security was not tolerated.

It is needless to emphasize the contrast presented in banking practice at this time.

It did not include doing business in any branch at a loss, with the idea of making a compensating profit in another department, but its legitimate object was to receive equitable returns for all services.

We heard but little in those days of par points or receiving checks and drafts payable throughout the country at par, crediting them on the day of receipt to the customer's account as cash, thus entering into balances on which interest is paid.

The average aggregate amount of such items carried by the New York city banks is at least twenty-five millions of dollars, as can be readily ascertained from their reports to the Comptroller of the Currency opposite to the item "Due from banks."

This large amount represents items payable throughout the country that have been credited as cash, generally without deductions for exchange or time, to correspondents, and on which interest is allowed by interest-paying banks. It is true that these items are charged to the collection accounts of the several banks to which they are transmitted and that the aggregate can be deducted from gross deposits in making up the reserve.

In many cases no exchange is charged by the collecting bank, but a charge is made in a large area of territory.

In towns where there is but one bank it charges what it deems proper, and in towns where there are several banks they enter into an agreement as to exchange.

The time for remitting returns for these items runs from three days to semi-monthly.

We love the country bankers—indeed, we love one another, and bless the tie that binds our banking hearts in one—but they are the masters of the situation. We dance to their music and pay the piper; we tumble over one another to capture him and find ourselves!

Competition in business is its life within well-defined limits, but beyond these limits it is far from wise or profitable.

If it were not for unwise competition no interest would be paid on deposits by banks of discount, and collections would not be made at a loss in exchange and time.

In the days of old-fashioned banking it was considered very unprofessional, indeed disreputable, to interfere with a neighbor's business by soliciting his accounts.

But nowadays it is openly, ostentatiously done; the mails are crowded with circulars and letters from banks offering various inducements to the correspondents and customers of other institutions.

Indeed, it seems to be considered an evidence of "smartness," of being up to date, of keeping "well to the front in the procession," to interfere with a neighbor's business by soliciting and enticing his customers.

The tenth commandment is continuously and persistently violated.

In addition to the mails, other instrumentalities are employed in this crusade.

Representatives of banks are traveling over the land after the fashion of commercial travelers or drummers, and within two years parties have organized a business whose object is to solicit bank accounts on commission.

The competition is narrowed in banking to a small compass.

The price, or interest if you choose, that will be paid for deposits, the extent of and rates for accommodation, and the area of free territory—that is continually widening.

Beyond question in a short time Santiago, Havana, Porto Rico, Honolulu and Manila will be added to the par list.

Financial papers are superabundant. Each presses for patronage and some offer as a bonus their influence in procuring business, for which they keep men on the road.

This custom of advertising banks is comparatively new, but it is attaining large proportions, and it would excite no surprise if the cards of banks were to appear in the cars of various railroads.

It is possible that the tourist may yet see from the car window as he travels through our country an inscription blazoned on the rocks and fences, side by side with Carter's Little Liver Pills, announcing that "The Notoriety National Bank solicits business." Progressive methods, if the contemplated progress is in the right direction, are commendable, but aggressive methods should be carefully considered, as at the best they are questionable.

The expense of conducting banks has greatly increased, growing larger by degrees and beautifully more.

Many bank officers receive larger salaries than the Secretary of the Treasury of the United States, and in some cases double and treble.

It is pertinent to inquire whether the clerks have shared proportionately and equitably in this increase.

In our recent magnificent victories on sea and land the officers have been crowned with honors, but great credit and praise have been freely and justly given to the men behind the guns.

So in banks whose business has been successful let us not forget to give a fair share of the credit to the men behind the desks handling millions of dollars and keeping vast accounts with fidelity and accuracy.

I am impressed with some deductions drawn from wide observation, indeed so profoundly impressed that in my mind they have crystallized into maxims.

I will allude to a few:

First. No officer of a bank should consider it as his personal property, arrogate to himself its control, or flatter himself that he is indispensable to its success.

He is merely a prominent part of the machinery that runs the bank, and a large portion of the work has to be performed by minor parts not so conspicuous as himself, but relatively as important.

What is known as one-man power in the management of a bank should be checked on its first manifestation. Several notable instances in the past of the disastrous result of the exercise of this assumed power in banks can easily be recalled.

Directors of a bank assume a legal responsibility when they qualify as such; they are obligated to direct its affairs and cannot delegate their duties to the officers they elect.

If they permit such officers to usurp their authority they cannot escape the responsibilities they assumed and neglected.

Men who in the past were officers of banks and thought themselves indispensable have passed away; the banks survived, still live and prosper, and the men are scarcely remembered.

This will be equally true in the future.

Occasionally we notice in bank advertisements the President's name in large type and the names of his associate officers and directors printed in comparatively insignificant letters.

Is this modest, and what justifies it?

Second. Officers of banks should not attempt to do too much nor exact too much from others.

Bank officers, especially those who have been promoted from the ranks, often make the mistake of continuing clerical work, giving undue attention to details and thereby neglecting the duties of their position, and struggling to do both, official and clerical, break down, collapse, and in some instances involve the bank in serious loss.

Clerks are employed to do this routine work and care for the details of business, and a well-arranged system will place before the officers daily a condensed but sufficiently comprehensive statement of the transactions of the previous day.

Neither should officers of banks expect too much; they know, or ought to know, how much work a man in a given position can easily and accurately perform, and any excess of labor imposed on a competent clerk is not only unjust to him, but prejudicial to the interest of the bank.

Third. The golden rule should be observed in the treatment of subordinates.

To do this is profitable, and it can easily be done in harmony with the preservation of proper discipline.

Do not be distrustful, suspicious and continually fault finding. Sift your clerical force until it consists of competent and faithful men.

No one is perfect, not even such exalted personages as ourselves.

It is pleasant to see officers and clerks living and working together as members of one family, co-operating for the institution in which they feel and manifest an interest and animated by sympatthy and consideration for each other.

We should shun selfishness as poison. Pay for service what it is worth.

We are not called on for prodigal liberality, least of all for charity, but appeals do come to us that justice recognizes, and could be favorably answered without appreciably affecting the interest of stockholders for whom we act as trustees.

Some banks grant pensions to clerks who have served them long and faithfully, and it seems reasonable to believe that such action redounds to the prosperity of the institutions.

We like to have our salaries increased. Let us remember that "there are others," for whom it should be our pleasant duty to care.

We like promotion. Let us advance our subordinates consistently with their merits and qualifications, when the opportunity arises.

We appreciate sympathy in our personal sorrows and anxieties. Let us be sympathetic in time of need with those who labor jointly with us for a common interest.

A word of commendation for duty well performed is grateful to us and is equally so to those who serve us, and it should and will give us joy to praise when it is merited.

It is occasionally said that no man is entitled to praise for doing his duty.

Victorious sailors and soldiers are to-day receiving unstinted praise from a grateful nation for their faithful performance of duty.

> "The soul is open to the charm of praise.
> There is no joy beyond it,
> When the mind of him who hears it
> Can, with honest pride,
> Confess it just and listen to the music."

Surely we should accept and illustrate the lesson taught in one of our Lord's parables when He said to the man who had only done his duty:

"Well done, good and faithful servant."

Fourth. Valuable time should not be wasted in continual worry or unavailing regret over losses that are irretrievable.

Losses which we fear may occur, disaster which we have some reason to apprehend, naturally arouse anxiety and stimulate effort to prevent, but the loss once made should thereafter occasion no mental disturbance.

"Things without all remedy
Should be without regard.
What's done is done."

Fifth. We should not carry the bank home with us.

When our day's work is completed and we start for home, we should leave the bank just where it is located and dismiss it from our minds absolutely.

Home should be our refuge from life's troubles and cares—it is our resting place, where we can refresh ourselves with exhilarating domestic happiness.

We should enter our homes with happy hearts and smiling faces. Our wives and children, if God has bestowed on us those priceless gifts, will welcome us with love's endearments.

Conversation, music, amusements, reading and social intermingling with friends will fill our leisure with enjoyment and recreate and fit us for the work of the morrow.

If we carry our cares and troubles home, a frowning face, an abstracted or preoccupied manner, reticent and irritable and brood over our perplexities, home will soon cease to be home to us or to those who love us.

No cordial, affectionate welcome, the music is stilled, the children's voices hushed, and gloom with painful constraint settles like a dark cloud on the household.

No renovating sleep, "tired nature's sweet restorer," but fitful slumbers that are "but a continuance of enduring thought."

Adversity is not exclusively the fruitful cause of care, anxiety or perplexity.

Prosperity brings in its train a sea of troubles that occasion as much worry as the other.

If anxieties from either source come to us officially let us lock them up securely in the bank when we leave it at the close of each day—to take them home with us would accomplish no good, but, on the contrary, do serious and needless harm.

I regret that time will not permit me to dwell on other important lessons taught by experience and observation, especially those relating to officers engaging in outside enterprises or speculating in securities, and also in regard to the duties imposed by law on directors, and emphasize the lesson that they should have no preferences in business, but receive the same treatment as is given to depositors whose accounts are as valuable as their own.

Finally, my brethren, let us avoid growing old. A woman is as old as she says. A man is as old as he feels.

Carefully preserve young feelings in your hearts and minds and illustrate them in your lives.

Young men in these days age very rapidly. They accumulate wisdom so fast that they stagger under its weight and become prematurely old.

In our profession to-day are many old young men who in activity and apparent age compare unfavorably with our young old men. Do not understand me as speaking disparagingly of young men. One of the happiest recollections of my banking life is that I was graciously permitted to help young men to enter and advance in our profession.

Let us prolong our youth in feeling, activity and, as far as we can, in appearance, even to the Psalmist's limit, three score years and ten, but we must not forget that we cannot live forever.

The time will surely come when we shall be admonished by nature that our working days are drawing to a close.

To die in the harness confers no honor. Rather than lag on the stage of life, it will be better to retire and make room for others, who are waiting to fill our places.

At the close of long service we are entitled to a holiday—a rest—a surcease of labor and care.

We need not be idle, every moment can be wisely and profitably employed —time will not be a burden, but can be utilized so that it will contsantly minister to our happiness.

In the sunset of life we can rejoice in fragrant memories of the past and bright hopes of an enduring future.

THE PRESIDENT: The Chairman of the Executive Council has a brief report to make.

ALVAH TROWBRIDGE, of New York: I desire to report that the Executive Council recommends the adoption by the Association of the resolution proposed by Mr. Peter White, of Marquette, Mich., that the Committee of Education be continued, with power to act, under the control of the Executive Council, if Mr. White will accept that proviso to his resolution as an amendment to it.

PETER WHITE, of Marquette, Mich.: I accept the amendment.

THE PRESIDENT: The question is, then, on the adoption of this report of the Executive Council and the resolution proposed. All who are in favor of it will manifest it by saying aye—opposed, no. Adopted.

MR. RUSSELL, of Mississippi: Mr. President, I have a resolution in respect to this same subject, which I think will be acceptable to the Convention, as follows:

Resolved, That this Convention hereby recommends and authorizes that such appropriations be made by the Executive Council as are necessary to carry on the work of the Committee on Education.

THE PRESIDENT: Gentlemen, you have heard this resolution. Are you ready for the question? As many as are in favor of it will manifest it by saying aye—opposed, no. Carried.

The next item on the programme will be a paper entitled "Practical Safeguards Against Check Raising," and the discussion will be opened by Mr. A. C. Anderson, Cashier of the St. Paul National Bank, St. Paul, Minn.

SOME PRACTICAL SUGGESTIONS FOR THE PROTECTION OF BANKERS' DRAFTS.—BY A. C. ANDERSON, CASHIER ST. PAUL (MINN.) NATIONAL BANK.

THREE-FOLD PROTECTION NEEDED.

This subject to be comprehensively treated must cover three points:

First.—Protection against drafts wholly forged, both as to blanks and filling.

Second.—Protection against the use of genuine blanks surreptitiously obtained and then forged.

Third.—Protection against the raising of genuine drafts from a small sum to a larger one.

Of these three methods of fraud the first is the least dangerous, from the fact that it must pass the teller, whose training in handling money and bank paper has rendered him expert in detecting the slightest variation in the blank from that which he is accustomed to see, and a second use of the forged blank is especially dangerous, because the first use is liable to be known, and every banker be on his guard as to drafts purporting to be issued by that particular bank.

AN OPEN DOOR TO FRAUD.

We readily see there would be but little use in devising a method to prevent the raising of genuine drafts so long as any smooth-talking stranger can obtain plenty of genuine blanks, absolutely uncancelled, from some of the steel-plate houses and from a great many of the lithographers who are furnishing blanks to the members of this Association. And to-day this is possible. Sample sheets and the drawers full of uncancelled blanks have not only been responsible for some very heavy losses to banks, but have lead to a vast deal of misinformation on this topic. The lithographer who has opened the door for frauds by his carelessness, when the loss occurs, is apt to set up the claim that the blanks must have been forged; that they could not possibly have been obtained from him, etc. I have repeatedly investigated such statements only to find the blanks genuine, and the people who could have furnished us with good descriptions of the men who obtained the blanks, witholding this information in trying to protect their own reputations. Do you think for one moment that the New York Stock Exchange would permit such carelessness in handling blanks of securities listed with them? Have we not a right to demand the same care that they require?

THE DANGER POINT.

The point of danger in the matter of raised drafts, as I see it, is that it is our common practice to use the same set of blanks for our largest and smallest drafts; the vignettes are the same, paper identical and numbers consecutive—nothing, in short, about the blank to indicate whether it will be drawn for a dollar or for thousands.

Some years ago the Government put out a two-dollar greenback and a fifty, with the same Principal Figure. They were withdrawn before the twos all became fifties. They have not tried the experiment since.

There are some methods of protection by series of blanks, but these methods are cumbersome and can hardly be deemed practical for general use.

PROTECTIONS NOW IN USE.

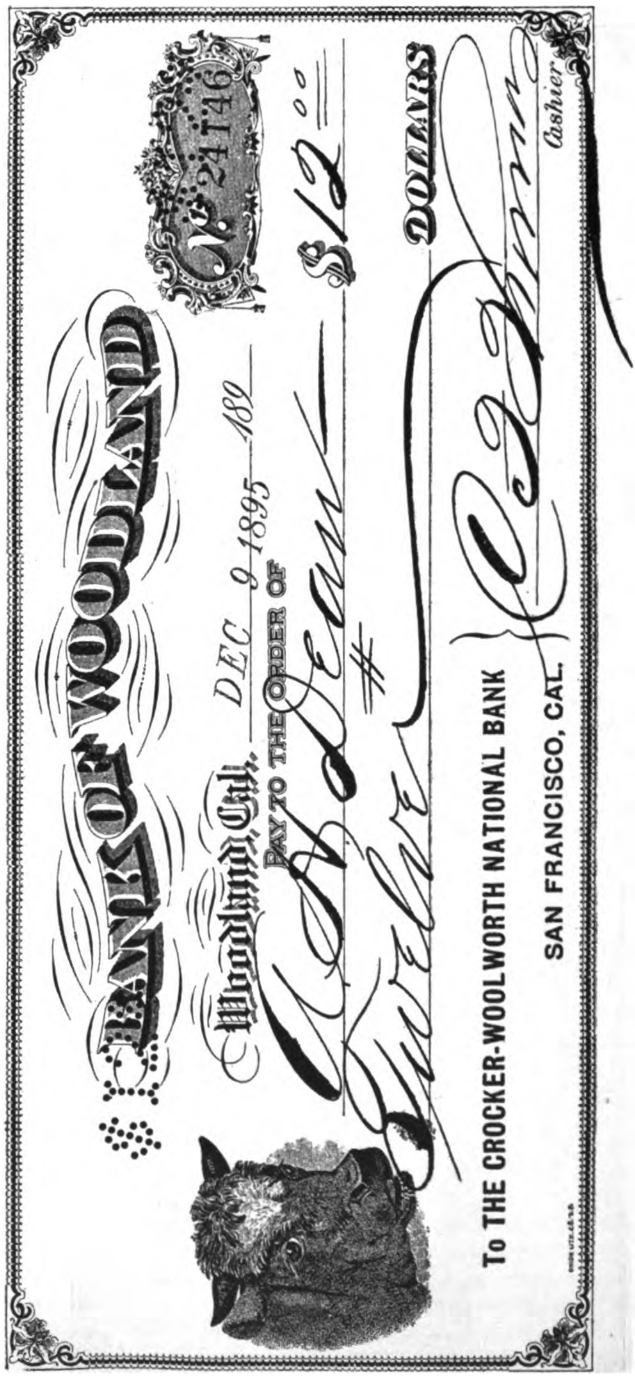
Realizing as we do the danger of our present method, we have tried by various means to protect against raising. Let us briefly consider these means and pass their effectiveness in review.

First.—The perforation, or cutting the amount for which the draft is issued, from the paper. Such cuttings have been filled up in numerous instances, the drafts altered to the desired amount, and the figures to correspond recut by the forger.*

Second.—Safety inks, co-called, designed to resist the action of acids and alkalies have been repeatedly put upon the market, but no such ink, as far as I know, has ever successfully challenged the world and proved its title of "safety." In this connection I would mention an ink designed to meet this want, which was prepared by one of the leading ink manufacturers of this country; it contained a carbon that neither acid nor the ordinary bleaches would touch, and I have known good chemists to fail in removing it from the paper, using any chemicals which their experience would suggest, but a damp sponge would wash it off, leaving scarcely a trace on the paper to show where it had been. This manufacturer re-

*See illustrations herewith.

DRAFT SUCCESSFULLY RAISED FROM $12 TO $22,000.



Draft Similar to the One Originally Issued for $12 and Raised to $22,000.

called the ink and wrote us that the experience of their chemists had shown that no ink could be produced which could not also be overcome.

Third.—One other method may be called the "stub" method of protection, where there is a stub on the left-hand of the draft and words are printed across it: "Void if presented for a larger amount than is shown by the marginal figures." Where the draft is printed on ordinary paper, an expert can easily remove the entire stub and affix a new one so nicely as to defy detection, and then has the whole field to work on, as though there had been no stub to overcome.

Fourth.—Is the method of daily mailing of advices of drafts drawn by the banker to his correspondent, and this method is defective in several ways. It involves so much time in payment as to practically prohibit its being generally adopted. Again, it protects only the payer and affords no protection to any innocent intermediary party. But the most important objection is that it is not a thorough protection, in that a forger can buy a draft for a small number of dollars, and also one for the same number of thousands, alter the number of the small draft to that of the large, raise the amount from dollars to thousands, and, when the alteration is complete, get the genuine draft recashed by the issuing bank and put through the raised draft with the altered number; the letter of advice then, instead of being a protection to the payer, is really a trap to mislead him.

Fifth.—Papers with a tint worked on their surface, commonly known as "safety papers," are considered by many a sure protection against alteration. They are not only not a protection, but the very fact of the tint being on the surface of the paper has been utilized by at least one gang of forgers to make alterations that would have been visible on white paper, and then by a skillful use of water colors to cover up their work. As between any safety paper that I know of and a good white paper, I should select the latter every time.

Sixth.—the last method of protection in use, to which I shall refer, is printing or embossing the words "under a certain amount" on the face of the draft.

While I would not say dogmatically that no such method can be devised that is effective, my experiments and investigations point very clearly to the fact that nothing can either be printed or written on paper that cannot also be removed from it. I have here a device used by a gang now in the Minnesota Penitentiary, for altering paper. Its purpose seems to be to hold the paper perfectly firm while it is being worked upon, and it is particularly adapted to holding paper while the print is being removed from its surface. It would also serve the same use when paper is being cut, spliced or worked down to a thin edge, to have a patch set into it; and damp paper stretched in this clamp dries smooth.

VALUE OF PRESENT PROTECTIONS.

You ask then, are all these methods worthless? By no means. The protection that one forger might find it easy to alter would prove a stumbling block to another, but singly or in combination they may be said to have been "weighed in the balances and found wanting."

WE LOOK TO PAPER FOR PROTECTION.

If we are to get genuine protection, a protection that protects, I believe we must look for it below the surface of the paper. This Government does not sell so much as a one cent postage stamp but it bears watermarked in the paper of one of the initial letters of the words: "United States Post Office Department;" and we know that the Bank of England notes, which are seemingly so plain and simple in their make-up, rely almost entirely for their protection on the watermarked paper used. We may, therefore, well consider a protection that has this kind of an Anglo-American endorsement.

TWO IMPORTANT FACTS.

Two facts are important to consider at this point:

First.—Thirty dollars may be said to be a maximum amount for which drafts are bought for the purpose of alteration; our principal danger does not, therefore, lie in our large drafts.

Second.—The Chicago bank having the largest number of country correspondents and doing the largest commercial business, after careful and repeated computations, has arrived at the fact that ninety-six per cent. of the drafts which it pays, drawn on it by its country banking correspondents, are for five hundred dollars or under.

A DIVISION OF LARGE AND SMALL DRAFTS SUGGESTED.

If we were to have our drafts printed as now, selecting such lettering, design, etc., as pleases us and gives an individuality to the blanks of each, but divided into two series, differing principally in the watermarking of the paper, with possibly a slight difference in the size and shade of paper (these latter differences more to prevent using the wrong draft than because they are considered essential to protection), the draft to be used for the smaller amounts to have the words: "Limit five hundred dollars" watermarked into the paper, which shall also have such further design worked all through it as to render successful cutting and patching impossible, we should at once remove the danger that lurks in all small drafts being raised to a number of hundreds or thousands. Our teller would be relieved of the nervous strain incident to the constant dread, lest when reports on accounts current come in, they will find they have been paying drafts which were drawn for $15, $16 or $18, for hundreds instead of dollars.

WATERMARKED PAPER ALONE MAY NOT PROVE ENOUGH.

While it is believed that thus limiting our small drafts to $500 (or other amount, if other amount is thought to be better) is an improvement on the methods now in use, this alone would not make a complete protection, for a man might buy a draft, for say five dollars, and successfully raise it to $500. It would be well, therefore, to have coupons indicative of the hundreds on the right-hand end of the draft.

POSITION OF SIGNATURE INDICATIVE OF THE SIZE OF THE DRAFT.

If there is one thing on a draft that a forger usually wishes to leave as he finds it, it is the signature. If then the Cashier in signing will each time see that his signature is carried to the extreme right-hand end of the paper, we can readily see that this can be used as a means for protection. The draft clerk in drawing a $5 draft would simply tear off all coupons indicative of hundreds, and if the forger could reattach these coupons to a skillfully-prepared watermarked paper, so as to defy detection, which we very much doubt, in order to raise the draft to $500 it would be necessary to carry the signature from one-half an inch to an inch farther to the right, in order to bring it where it belongs for a draft for $500.

We have gone thus into details as to the smaller drafts, and of the large drafts we may simply state that similar protection can be afforded to them. We believe we have pointed out an impassable gulf, over which the forger cannot go in raising small drafts to large ones.

One question must present itself, and that is, can not the watermark be successfully counterfeited? I have seen some attempts at counterfeiting watermarks, but never anything that I thought was at all effective, and the best answer I can give to this inquiry is to quote from a recent letter to me from the Chief Cashier of the Bank of England:

"The Bank hold that their chief protection from forgery is to be found in the quality of the paper used in the making of bank notes.

Of course Bank of England notes are sometimes forged, but the number has always been small. In one year only six came to light, although sixteen millions of genuine notes went through the hands of the public. Fifty would be much above the average.

We have seen counterfeit watermarks of all the sorts described by you, but the best counterfeits seen would never deceive a real expert.

In conclusion, I think it well to tell you that the Bank of England never pay forgeries, and spare no expense in bringing, or attempting to bring, forgers to justice."

If a forger finds it difficult now, when only a lithographic stone and paper easily obtainable are needed to counterfeit a blank, it is manifest our adoption of such paper would add immensely to his problem.

NEED OF GREAT CARE IN THE PRODUCTION AND DISTRIBUTION OF THE PAPER.

If this method of protection is to be effective against forgery as well as raising, the protection of the paper, in its manufacture and in its distribution to the printers, must be under the charge of some such body as this Association. It should be manufactured for the Association only by such a paper mill as can demonstrate its ability to manufacture what we want, and keep it safe as long as the paper is in its hands, and it should be distributed to only such plate printers and lithographers as shall be under bond for its careful use, and liable for all uncancelled samples, and whose places of business shall be open at all times to authorized inspection.

THE PRESENT A FAVORABLE TIME FOR ACTION.

The Government, in its regulations for the imprinting of the revenue stamps on drafts, is insisting on methods of care in handling blanks that unfortunately heretofore have been too little looked to. No better time than the present could be found for enforcing our claims to this same careful handling of blanks for our use while they are in the hands of manufacturers.

If this matter ends in a discussion only, it will, I fear, be a mistake to ever have considered it in this public way, and to have so frankly acknowledged our dangers and present inadequate protection. But if, after such discussion as may here take place, this matter be referred to the Executive Council to be by them referred to a Commission for such further consideration and report as the Council feels the subject demands, it may result in shutting the doors as effectually to criminals as our Protective Committee have been for years shutting prison doors on criminals.

L. F. POTTER, Citizens' State Bank, Oakland, Iowa: It seems to me that the paper just read is of so much importance and the suggestions contained in it so good that special notice should be taken of it. I therefore move that it be referred to the Executive Council for such action in regard to it as they may deem proper.

C. A. PUGSLEY, of Peekskill, N. Y.: I second that motion.

THE PRESIDENT: All in favor of the motion will manifest it by saying aye —opposed, no. Carried.

FRED. HEINZ, Farmers and Mechanics' Savings Bank, Davenport, Iowa: In connection with this matter I beg leave to submit to the Executive Council a form and style of check which I have here.

THE PRESIDENT: Hand it up to the Secretary, and it will be referred to the Executive Council.

Adjourned to Thursday, August 25, 1898, at 10 a.m.

THIRD DAY'S PROCEEDINGS.

THE PRESIDENT: Gentlemen, the hour of 10 o'clock having arrived, the third and last day's session of the Twenty-fourth Annual Convention of the American Bankers' Association is declared to be open and ready for business.

The proceedings will be begun with prayer by the Reverend Father Joseph P. Carrigan, of the Roman Catholic Church of the City of Denver.

PRAYER.

O God! we adore Thee as our first beginning. We aspire after Thee as our last end. We thank Thee as our constant benefactor. We call upon Thee as our sovereign protector.

Vouchsafe, O Lord, to conduct us by Thy wisdom; to temper us with Thy justice; to comfort us by Thy mercy, and to protect us by Thy power. Make us prudent in our undertakings, courageous in dangers, patient in affliction and humble in prosperity.

Teach us, O Lord, to know Thee, and to know ourselves. Teach us to say often in all earnestness and truth,

"Our Father who art in Heaven, hallowed be Thy name. Thy kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses as we forgive those who trespass against us, and lead us not into temptation, but deliver us from evil. Amen."

May the blessings of God, the Father, Son and Holy Ghost, descend upon us and remain.

And may the spirit of His divine wisdom guide you in your present deliberations.

THE PRESIDENT: Gentlemen, we have been so successful in this Convention that we arrive at the morning of the third day and we have no unfinished business.

The report of the Committee on Nominations will be made later in the day.

The next topic on the programme is "Uniform Laws for Holidays as well as Days of Grace," the discussion to be opened by Mr. George M. Reynolds, Cashier of the Continental Bank, of Chicago, Ill.

Mr. Reynolds does not appear to be in the house at this moment, and his paper will be presented later if there is time for it.

Therefore, we will pass to the next topic on the programme, "The Need of Banking Facilities in Rural Districts," the discussion of which will be opened by Mr. William L. Royall, of Richmond, Va.

NEED OF BANKING FACILITIES IN RURAL DISTRICTS.—BY WM. L. ROYALL, RICHMOND, VA.

Mr. Chairman and Gentlemen of the Convention—The vast mass of the American people have yet to learn the elementary propositions upon which true finance is founded; to wit: that money has its own value, and that its value does not come to it from law, as the great bulk of the people believe to be the case; that this value rests, like the value of everything else, upon the labor required to produce it; that demand being conceded, if it takes a day's labor to produce 23.22 grains of gold (what we call a dollar) and a day's labor to produce a bushel of wheat, they are of the same value; that the province of the dollar is to compare itself with the commodity, and determine that each embodies the same amount of labor, whereupon we say a thousand bushels of wheat are worth a thousand dollars; that this being determined, business is not purchase and sale of commodities for money, as the people believe, but exchanges of them effected by swapping drafts for their value in the banks; that the all-important thing, then, is to keep the money—the standard of value—always intact, whereupon business is conducted by exchange of credits, and these credits will swell out to any size required, furnishing all the money that can be used; and that the all-important thing after the preservation of the standard of value is to give perfect freedom to credits. The vast mass of the American people have yet to learn these elementary truths, and yet they must always grope in the dark and be always producing confusion until they do learn them.

The clamor of the day is for "more money." It is the backbone of "free silver." To get "more money" more than 6,000,000 of voters declared in '96 for "free silver." They were willing to take bad money to get more money. This seems absurd, but there never yet was a great popular movement like this without some solid cause behind it. The fool pooh-poohs the whole business. The wise man looks for the cause. Let us take the part of the wise man.

When looking into the case, the first fact to meet us is abundance of money in the cities. But there is none in the country, whence the clamor comes. I made an address to the Banking and Currency Committee of the House of Representatives December 19, 1896, in which I produced proof that the people in the agricultural districts have no money at all. It is printed in "Hearings and Arguments before the Committee on Banking and Currency, House of Representatives, 54th Congress, 1st and 2nd Sessions, 1896-97," a volume to be found in all public libraries. I add the following: D. H. Lynch, a real estate dealer in Richmond, Va., received the following letter from a man in Nebraska to whom he had sold a farm:

"COLLINS, Neb., December 29, 1896.

"Money close here and I hard up at present. The bank loans money at 3 per cent. a month when they got it, but ha'nt any to loan now. Can't borborrow at all. Yours truly, S. H. ROBERTS."

This man had a farm in Nebraska worth $7,000, with 200 head of horses on it, and he could not borrow enough money to move to Virginia.

People in the cities have plenty of money because they use scarcely any. They do all their business with checks, and need enough only to go to market and pay street car fare.

But in the agricultural districts there are no banks for the people to check on. Every one knows this to be a fact. Why is it? Because the tax of ten per cent. on the issues of State banks makes any but National banks impracticable. The National banks are founded on National bonds, of which the farmers have none, and they are anti-rural also in their nature. There are no banks in the country, then, for the country people to check upon, and checks are unavailing to them. A check is of no use to a cowboy on the plains. The country people must have actual cash for their affairs and yet they have none. Why is this? It is because all of our money is good at its face in every part of the United States—gold because of its intrinsic value, silver because the Government practically gives gold for it, and greenbacks and National bank notes because the one is the Government's note and the other bears its endorsement. This being so, all of it goes to the commercial centers and leaves the country people destitute. I am not giving a reason why it all goes to the commercial centers, though I have a reason that is perfectly satisfactory to myself at least. I am only stating the fact now, and of that there is no sort of room for doubt. For proof, I may add to what I have said the following: We hear every fall that money is scarce and interest high in New York, because all the money has been sent West to move the grain, and South to move the cotton. This money is not used to buy grain and cotton. That is all paid for with exchange. It is used principally to pay labor, and, therefore, gets spread out among the people. But in three months' time it has all returned to New York, interest is again normal there, the country districts are again destitute of money, and the same process must be repeated the next year.

INJUSTICE OF PRESENT MONETARY SYSTEM.

So it is, then, that a condition of affairs has been brought about in which one part of our country, the cities and towns, have plenty of money for their affairs, while the country people are wholly destitute. This is unjust and it is wrong. The countryman naturally resents it. He reads in his newspaper that the New Yorker can borrow all the money he wants for two per cent., while he, with valuable property, can get none at ten per cent., and he feels that he is wronged. He is wronged, and he has my deepest sympathy. There is the seat of free silver's strength, though if the farmer only knew it, the silver dollar would leave him just as the greenback does. It would be good for its real value all over the nation, and, as it would become the sole money, it also would go to the commercial centers. Free silver would only produce a general liquidation and then it would leave the farmer as greenbacks do. The great upheaval for free silver came, then, from the country people who joined forces with the idle workmen of the cities that the threat of free silver threw out of employment. It had its origin in the countryman's unsupplied need for money, and we will have to face it again unless we remove the cause of the countryman's discontent. This is the case that confronts the country. Shall we allow it to remain as it is ? I say we should not, and for two reasons.

First: It is unjust, and injustice always brings disaster.

Second: It will work up another free-silver ghost, by some other name, if not free silver. That arrests enterprise, makes idle workmen in the cities, and multitudes of unemployed everywhere. Then comes another unnatural union between the farmers, who have no currency, and the unemployed of the cities to strain the pillars of our institutions as they were strained in 1896. We should remove the prime cause of all this, and there is but one possible remedy—a banking system that will permit each locality to bank upon such resources as it has, with banks managed by local directors, who are acquainted with the people of the neighborhood that require banking accommodations. This last requirement is just as important as freedom in banking.

The farmer can borrow no money from a National bank. They are all in the commercial centers, and their directors have no personal acquaintance with the farmers. Money is loaned upon knowledge of the borrower's character. The farmer applies to a National bank for a loan, and is told the bank has no money, which means it has none for him because the directors do not know him. I repeat then that the *sine qua non* for peace and order in the United States is a banking system that will permit each locality to bank as it pleases upon such assets as it has, and will secure for the directors of the local banks, local men who are acquainted with the people living around them. The whole case rests right there. This amendment of the law would carry the remedy to the seat of the disease. But we will never have peace and contentment until our banking system allows these two measures The farmer will always be without banking facilities and discontented, therefore, under the present system, and until they can have their local banks based upon such property as they have, whose directors know them and will grant them the accommodation they need. But allow a locality to have perfect freedom and the facilities for banking on what it has, and it will have, relatively, as many banking resources as Wall Street has. Its system may be one that Wall Street will spurn. But if it supplies the needs of that locality, of what consequence is Wall Street's contempt ? To have these local banks it is essential that they shall be allowed to issue their circulating notes, because a very great proportion of them would do a very limited business, and with a small capital, and they must be permitted to supplement their capital by notes in order to have enough resources to do a paying business ?

I know the prejudice against State banks will never permit the reëstablishment of them, and I do not argue for them. But all of their advantages can be secured without a resort to them. Permit National banks to issue as many notes as their directors think proper, and upon the security of the assets of the bank, only subject to as rigid inspection by the Government as can be asked, and the Gordian knot will be cut.

Suppose a bank in the interior of Texas, with a half million of dollars' worth of property convertible into that much gold, should put out five hundred thousand dollars of its notes upon the security of its own assets only. The bank being unknown in New York city, its notes would not be accepted there. But all the people of Texas living anywhere near the bank would know that it was perfectly solvent, that its notes were perfectly good, and the notes would, therefore, circulate as money amongst those people. Is it right that they should be kept, as they now are, destitute of all means by which they can conduct their business merely because Wall Street does not desire to take the notes whose character it does not know about ?

Let no man suppose I am an inflationist. I am a single standard gold man of the extremest type. I would require a bank to pay gold for its notes on demand, or to be instantly put into liquidation through receivers. The only trouble my views give me is the fact that the inflationists also call for the repeal of the tax on State bank notes. But we are as far apart everywhere else as the two poles. I want to give the industrious man an opportunity to make use of his resources, but under the severest restrictions. They want to help the cause of cheap money, and to legislate money into the pockets of those who are too lazy to work for it. Though we both work for one thing, that is, the repeal of the ten per cent. tax on notes, there is nothing else in common between us. But why should these Texans be kept in their present state of destitution when they are entirely capable of supplying themselves with everything they need if they are only granted freedom to use their own resources in such a way as will bring them the best results ? The answer to this question in every man's mind is, because they will put out notes that will get into general circulation all over the United States, all of which being at a discount and many of which proving worthless, will thus cause losses to innocent and unsuspecting people. I think the possibility of evil is very greatly exaggerated.

Before the war the notes of State banks caused trouble, but why ? Our steam and electrical development was very imperfect, and when State bank notes once got into a community it was hard to get them out of it. A North Carolina customer of a Richmond, Virginia, merchant would inevitably tender North Carolina notes that he had to receive in settlement of his account, and the desire to keep on good terms with his customer would make the Richmond merchant accept them, and as there was no rapid communication between Richmond and the issuing bank, they would get into circulation in Richmond and remain there to the annoyance of the people until they were bought out by brokers and sent back to North Carolina. But every part of the country is now intersected with rapid means of communication, and all parts are in instant touch of each other. A North Carolina note would not be a day in Richmond before it would be hurrying back to the bank that issued it, with a demand for payment of it in gold.

Besides, no inter-State payments are now made with cash. Our network of banking is so complete that exchange can now be sent to every point, if not exchange on that point, exchange on New York, or some other point of general commerce, and all inter-State payments are made now with exchange. The notes of the local banks would, therefore, never leave home now. The people there would want them, the people away would not want them, and they would stay where there was a demand for them rather than go to a place that did not want them.

NEED OF A LOCAL CURRENCY.

The popular conception of a need for a currency note that will circulate all over the country is an utter error. Who needs such a note? General business does not because, as explained, general business is all done by exchange. No one needs it but the travelers, and they can protect themselves by carrying enough gold in their pockets for current expenses, and bank checks on the cities to which they are going.

The upshot of the business then is, that the general public would never see or hear, under present conditions, of local bank notes, and the rural communities that now have nothing to conduct their business with, would have all the media of exchange that they need. Because, as the notes of the local banks, though perfectly good, in fact, would not be known away from home, the discount thus put upon them would send them home whenever they strayed away for the use of the people who appreciated them, and for whose use they were issued. This is really the ideal currency system.

I don't know that I can do better than to illustrate the facts in one State prior to the Civil War, as the records show them, and I take my own State, Virginia.

In 1861 Virginia had 1,500,000 people, but 500,000 of them were slaves, incapable of contracting, so that for the purpose of the case she had 1,000,000 of people. Her banks, for twenty-five years, had had out ten millions of dollars of notes that circulated at par all over the State, furnishing all the greatest abundance of money. There was a bank at almost every cross-road whose managers knew the farmers, and gave them such accommodations as they were entitled to. These notes were at a discount of only one-quarter of one per cent. in New York, and no man ever lost a dollar by a Virginia bank note.

Contrast that situation with Virginia's present situation. Now she has 1,700,000 people, all capable of contracting. She has thirty-seven National banks, and great districts as large as some of the States of this Union that have no banks. If you should rake up all the currency in the State, outside of the cities and towns, I don't believe you could find $250,000. I say, then, that her condition before the war was an ideal one, and that the condition of her farmers to-day is a pitiable one, and I say, further, that if that condition was possible for Virginia then, it is just as possible for all the States now.

In point of fact, the condition of every Atlantic State in 1861 was just that of Virginia. The evil of State banks was confined to the new and growing West, where they had "boom" banks as well as "boom" towns, and the West was rapidly eradicating the evils of the system and securing its blessings when our present absurd financial system was forced upon us as a war measure.

The same official reports of Virginia show many other interesting and important facts. The Farmers' Bank of Virginia was a great institution with branches in many parts of the State, and one of them was at Blacksburg, a small village of two or three hundred inhabitants in Montgomery

County, which is a blue grass, grazing region of country as fine as any in the world. This branch had a capital of $60,000 and a surplus of $50,000—that is, it had $110,000 of resources. But it had out its notes to the amount of $146,274, and it kept in its vaults only $29,555 of specie against those notes. With notes, capital and surplus it had, therefore, $256,000, but its deposits were only $7,042. It had out loans, however, amounting to $227,000, which, added to the coin in hand, about balanced its resources.

Now this trifling deposit account has a deep meaning. It means that the farmers around, who borrowed the bank's money, did not take their loans in the form of credits on which they checked. It means that they took the bank notes and put them in their pockets and carried them home and paid them out to their neighbors, and, as everybody had perfect confidence in the bank, whose managers were the leading people of the community, nobody ever thought of going to the bank and demanding redemption of the notes in coin, so that once out they remained out indefinitely and circulated around among the people, performing the functions of money as well as the purest gold dollars could.

This is the way in which Virginia banks were able to put out five and even eight dollars of notes for one of specie kept in their vaults, and this is the reason why they were able to issue on a small capital just as many notes as the people had any use for. The result was they could so multiply their capital that they could afford to charge very low rates of interest, and the people generally had an abundance of money at the most reasonable rates. Now they cannot get it at any rate whatever, and reading in their papers that the New Yorkers can get all they want at 1½ per cent., they are naturally discontented. This Blacksburg case (and the reports show the country was full of Blacksburg cases) contains the whole argument upon the subject. The banks must be local and they must have authority to swell their capital by issues of notes payable in gold coin on demand, or the capital will not be sufficient to loan money enough to pay the expenses of the business and leave a profit.

In the present state of things it would be absolutely impossible to get what are called " wild-cat " notes into circulation. The whole country is covered over with old and established banks, nothing like so numerous as they should be, but numerous enough to prevent that. No new bank could either get its notes afloat, or keep them afloat if the present old banks frowned upon them, and they certainly would frown upon them unless they knew the bank issuing them to be sound. A " wild-cat " bank is started at Farmville, Va., one of its notes is paid into a retail store in Richmond, the store keeper sends it next morning to his bank in his usual deposit the bank throws it out, that fact is telegraphed or telephoned to Farmville, and that is the end of this "wild-cat " bank.

But, it is said, a number of these notes will have gotten out into circulation before this old bank condemns the note. It might have been done before the war, but it would be impossible now, with our fast mails, telegraphs and telephones. The moment organization of such a bank commenced, every other bank in the State would be notified of it, and each old bank would make free announcement of its intention to black-list the new notes. This fact would be known everywhere in the State before a single note got out, and the operators would never be able to float one unless through a criminal act. Everything pertaining to this matter has changed since 1860, under the influence of fast mails, telegraphs and telephones.

The Atlantic States had unsecured bank notes only, prior to the war, and they had the best currency system any people ever had. As I have said, the only complaint of that system came from the new and growing West, and its evils there were incident to a new society, and not to the banking system.

CREDIT CURRENCY IN GREAT BRITAIN.

I don't think I have ever seen an American that was aware of the fact, but England, Scotland and Ireland have to-day exactly the banking system that I contend for. Each island has local banks scattered all over it that put out their notes upon no security whatever but the assets of the banks themselves. These notes are at a discount thirty miles away from the banks that issue them, but they furnish the people living around those banks with an abundant and perfect currency. A full account of them can be seen in my address already referred to at page 191. Great Britain's whole internal economy rests upon these banks.

I have several copies of the address which I will take pleasure in handing to any gentleman interested in the subject.

What I contend for is the plan of our Constitution, and although it is the fashion of the day to sneer at those who talk of the Constitution, I have the most slavish adoration for that incomparable instrument which I never fail to manifest when an opportunity offers. I have stated the argument to prove that this is the Constitution's plan in the address already referred to.

I am sometimes told that the Supreme Court of the United States has construed the Constitution in opposition to my views. This is true, but this construction is part of the war doctrine put out a third of a century ago to enable the Government to carry on the Civil War, and the sooner it is abandoned the better. That construction is part of a series of decisions which hold that the Congress of the United States can convert a piece of green paper into a dollar, a thing which the Almighty Himself cannot do without first changing the laws of the Universe.

We have to submit to and obey the decisions the court has made while they remain the law, but that does not preclude the citizen from examining those decisions and pointing out that they are not in harmony with reason, or the spirit of our institutions.

The idea of the whole paper currency being issued by private banks, instead of by Government agencies, is an essential part of the fundamental idea of the fathers of our Government. They intended that the individual should be everything, the Government nothing, except for the few things that all are equally interested in. They had never heard the word Socialism, but they knew the evil, and all of their work aimed at guarding against it. Paper money issued by the Government is the surest aid that Socialism can have. The local bank with its local notes is the surest safeguard for local self rule. The essence of the one is collectivity, the essence of the other is individuality, and that is essential to the continued freedom of a free people.

W. W. Woods, President National Bank of Commerce, Kansas City, Mo.: Mr. President and Gentlemen of the Convention—I have listened with much interest to this address, and I, from my standpoint, condemn it from first to last. I think the whole principle of the address is placed upon a sandy foundation. In the West we have had our experience with the issue of local notes by local banks. Of course, I cannot speak for Virginia, but in Missouri, Kentucky and Indiana we have had such experiences that we never again want to see the local bank issuing currency.

However, Mr. President, I cannot undertake in the few minutes which can possibly be allowed me to answer the gentleman. I have some other facts which I wish to present for the consideration of this Convention in the direction of the subject indicated—the need of banking facilities for country districts. I should not undertake to offer any remarks, for I am not accustomed to public speaking, were it not for the fact that if there is anything in the world I do know it is the need of the rural districts for banking facilities, because I have myself been a country banker for many years, and besides in the last twenty years I have not only been intimately associated with the country bankers of the West, but I have been largely interested with them.

Banking in this section of the country is well developed. Indeed, it is not confined to any particular section of the country. In the city you have larger banks, larger capital and larger business, but in the West we have the greater number. In my understanding of the question, commerce and banking have in all times moved side by side, and it will always be so, because no considerable degree of commerce can be done without some kind of a banking system. Banking is an auxiliary to commerce. In the city you have the larger commerce, and, consequently, you need the larger banks. In the West we have a commerce not so extensive or diversified, but it is a commerce all the same, and we need a banking system. True, we have one now, but it does not meet the needs of the situation, and I will show you what I mean by that.

On the surface of this question it would be reasonable to conclude that the rural districts do not have banking facilities now. Gentlemen, that is not true; they have banking facilities, but they do not meet the requirements of the situation, and they can be improved very much.

In the West there are many so-called banks—speaking now particularly of Missouri, Kansas and Nebraska—and in some parts of these States you cannot go ten miles without running across a sign "Bank" over an unpretentious doorway. The result is that competition is excessive. The capital is necessarily small, because the business is small. The deposits are small, and larger capital is not justifiable. This small capital and the small proximity of these banks is what has led to abuses and excesses.

One abuse that exists in the big cities, gentlemen, that I would like to say something about, is the paying of interest on balances. According to my ideas, a commercial bank is not expected to pay interest. On the other hand, it should collect interest. I believe the deposits would not be materially diminished if all interest charges were dispensed with, and we in the West cannot bring about this improvement until the people of New York have set us the example. Pardon this digression.

BRANCH BANKING SYSTEM NEEDED.

We have too many banks in the rural districts, I say. It is not numbers that we want, but it is a better system. Neither do we need to allow the country banks to issue a currency. I think that would be a very hazardous experiment. I believe the proper thing to do is to encourage the larger banks and allow them to absorb the little banks in the smaller towns as branches. Let me give you an illustration from Kansas—because they are my neighbors and my friends; in fact, we live off of Kansas—(cries of "That's right!")—three-fourths of our out-of-town business comes from the State of Kansas, and there is no State in the Union that has been more abused by the small individual banker than Kansas. Yet because of abuses, reformations have been made, and to-day Kansas has a good banking law, and a good bank supervisor, and its banks are in as good a state as in any other State in the Union.

Take Sumner County, Kan., for example, with 30,000 population. In Wellington, the county seat, there are two or three well-managed banks. Go five miles out in any direction, and you will strike a country bank, in a village where there is a population of two hundred people, perhaps, with a capital of $5,000.

Now, that is one of the abuses that I referred to. I would encourage the larger banks in the cities to establish branches in the smaller towns. Every one of these little banks should be a branch of the banks in the county seat, provided those banks want branches—if they do not, then the Bank of Commerce of Kansas City would take them in. (Laughter and applause.)

It would be safer for the banks and safer for the community, if such a system were inaugurated. Then the branch bank would have the strength of the mother bank, and, in my opinion, failures would be almost impossible. Again, it would equalize the supply of money.

Now, for another illustration, let us go to the Empire State. Take the National City Bank of New York, which is the big bank of this nation. Now, a plethora of money always means the reverse condition so far as loans are concerned. I am told that oftentimes for months, in New York city, the large banks buy paper at two and three per cent. per annum. Why? Because they are paying interest to the country banks at one and one-half and two per cent., and they are compelled to buy paper at low rates in order to make the expenses incurred, and possibly to make some little profit themselves. But if they were not paying interest on these balances, they could afford to do differently. Understand, gentlemen, when I keep my account in New York, I want interest if other people get it, but if you will all agree to pay no interest to anybody, you will benefit me and the entire country. This interest question is a hobby of mine, and whenever I undertake to say anything I am apt to drift off into it. Now, take the National City Bank of New York, with its millions of deposits, buying paper at two and three per cent. a month——

THE PRESIDENT: You mean two or three per cent. a year.

MR. WOOD: I beg your pardon. Two and three per cent. a year is what I mean. The two and three per cent. a month applies to the cross-roads banks.

Now, suppose the National City Bank had branches. The money would be distributed, because you would draw from one section of the country to supply the needs of another section. Suppose the National City Bank had a branch bank at Beaumont, Texas, and the National City Bank, overflowing with money, and buying paper, as I say, at two and three per cent. a month——

THE PRESIDENT: There you go again, Doctor. You mean a year. (Laughter.)

MR. WOODS: You see, gentlemen, I have made that mistake again, because my words run faster than my thoughts. If the National City Bank had a branch bank at Beaumont, Texas, in a new country and an undeveloped country, where they needed a great deal of money, and had a man there whom they knew and could give instructions how to handle the business, instead of taking paper at two per cent. a year they could afford to take it at six and eight per cent. a year from the Beaumont bank, and thereby benefit Beaumont and New York alike.

Again, suppose the National City Bank had a branch at Cripple Creek. They would use the money from Cripple Creek—where I understand they are taking out lots of it every day—to supply the needs of Beaumont, where they want the money to help develop the country. Some one might argue that it cannot be done under the present system of banking, but if there were branches of the National City Bank in these places it could be done.

This is no new idea, gentlemen. I am no undue expansionist, and possibly what I say will not be acceptable to many in this Convention who class themselves as old fogies, because they might fear the branch bank would dry up the fountain, for you know there are some people who want to put their arms around their business every day. (Laughter.) If that is your system, then this branch bank system would not suit you. But let me tell you, this branch bank system prevails in many parts of the world. In London you cannot go ten squares without finding a branch of the Union Bank of London. They understand that in order to advance commerce you must give it every possible facility. The Bank of France has branches everywhere. In Canada the same thing is true. Why, a single bank in Mintreal will have branches from Vancouver to the mouth of the St. Lawrence. They practice it in these countries successfully, and we never hear of bank failures. I believe if we inaugurate the system in this country it would almost do away entirely with bank failures.

This same principle is practiced in trade. It is illustrated in the large department stores in our cities, where you can buy anything from a paper of needles to a second-hand pulpit, and from a dress to a grindstone. They are not only conveniences to the community, but they are profits to the community as well. It is in effect a home bank with branches. The department store of to-day is successful. Why not make the banks equally successful? (Applause.)

P. I. BONEBRAKE, of Topeka, Kan.: Mr. President and Gentlemen—I want to apologize for Dr. Woods' slip of the tongue. He was a banker in Kansas long years ago, and he was accustomed to say two and three per cent. a month then. (Laughter.)

I want to differ from Mr. Royall, of Virginia, in reference to the deposits of the rural banks, so far as what he says applies to the State of Kansas. I hold in my hand a statement from the State Bank Commissioner, which shows that on the 9th of March, in 1897, the deposits of State banks (which are in the country as a rule) amounted to $15,955,000; they had in cash and sight exchange, $6,656,000, or about forty-three per cent. The last report, of April 19, 1898, showed that they had twenty-two millions of deposits, and ten million in cash and sight exchange, in round numbers—a fraction over forty-six per cent. Our National banks, which are in the cities, had about thirty-four per cent., while the country banks had forty-six per cent. Again, as to the number of banks, we have in Kansas 383 State banks and 116 National banks. We have 106 counties, which is an average of five banks per county. The country banks, I may add, are owned largely by the farmers, and the depositors are farmers.

JOHN P. BRANCH, of Richmond, Va.: While I cannot agree with the speech of my townsman, I have my own views in regard to this.

We all know that our profits are made out of our deposits. The bank I have the honor to represent has increased its funds a thousand fold, and of course we are doing what we can to increase these deposits still further.

Of course, our city banks recognize that if we have these country banks as branches, the deposits will go to the counties and to the townships, instead of to the cities.

Perhaps that is one reason why some of us oppose these small banks. I am in favor of the branch banks, yet at the same time they have their drawbacks. It requires a great deal of work to look after the home bank, and it would require much more to look after the branch bank. We would have to send a stockholder out to run it, because you could not expect a simple paid employee to look after it as well as a man who had an interest in the bank. Besides, the man who runs the branch bank must be one who is acquainted with the people in the locality and knows who is responsible and who is not.

The complaint has been made that the city banks get all the money and the country banks do not get any of it, and they say, why should not the country have the same privilege? A man comes from the country to your big bank in the city, and wants to get money to move his crop. You do not know him, and he has to go out and look up an endorser, and he has to pay for it in one way or another. Unless we give this man the facilities that we give our own merchants, this question of the currency will never end.

I see no reason why a country bank will not have the same right to issue currency that a city bank has. There are plenty of ways in which the notes could be secured—whether by Government bonds or State bonds. The question is not by what bank is the note issued, but the question is what is the security behind it. I say, without fear of contradiction, that any note issued by a country bank can be made just as good as a note issued by a Wall Street bank. (Applause.) It is not necessary for me to go into details as to the way in which it can be done. You all know them. Why, a great many bankers carry on business without any circulation. In fact, there are only about 220 millions of circulation for all the banks.

Let us give these country banks a chance, so that when a man goes to his country bank and wants to borrow money to move his crops, he can get the money. (Applause.)

Mr. Woods: At the expense of making myself tiresome, let me answer Mr. Bonebrake. From what he said yesterday about his Kansas town, I was prepared to believe that he regarded his town in the rural districts, and consequently I had no reference to him in mind whatever.

As to the gentleman who has just spoken, my remarks were, of course, in the crude. I did not pretend that objections could not be found to the branch bank system. My idea was to express a thought for you gentlemen to reflect upon. It needs concentration of thought to evolve a plan to make it effective. The gentleman is shooting at a different mark entirely from what I am. I was talking about the rural districts where there are very small towns and where they cannot afford a National bank nor a large capital, and oftentimes they have to go away to get money, because they cannot get it at home, whereas under the branch bank system they would be acquainted with the Manager of the branch bank, and he would know their responsibility, and they would be able to get the money at home.

Mr. Cannon, of Salt Lake City, Utah: I would like to ask the gentleman a question. I understand his position to be that he is an admirer of the Canadian bank system, and I also understand that he is opposed to the issuance of currency, or circulating notes. I would like to ask what his objection is to the circulating system as conducted by the Canadian banks.

Mr. Woods: The gentleman misunderstands my position. I am not opposed to banks, large or small, city or rural, issuing currency, but I want it issued on a very solid basis, and if a rural bank can issue it on the same basis that a city bank does, and can give the same security, why, let it do so. That will be satisfactory. It is a question of security only.

THE PRESIDENT: We will now recur to the subject which was to be opened up for discussion by Mr. George M. Reynolds, of Chicago. I take great pleasure in introducing to you Mr. Reynolds.

UNIFORM LAWS FOR HOLIDAYS AS WELL AS DAYS OF GRACE.—BY GEO. M. REYNOLDS, CHICAGO.

Days of grace were originally allowed by the custom of merchants as a matter of favor or indulgence, as appears from the name itself applied to these days. Later the custom received the sanction of the courts and grew into the unwitten or common law, and finally it was enacted into the statutory law of England in 1705 by the statute III and IV Anne. The practice of allowing as a favor a number of days within which to make payment after a bill falls due, is not confined to the common law, but prevails in many if not most of the States of continental Europe. In fact it may almost be said to be a universal rule of the commercial world to thus allow more time for the payment than appears upon the face of the bill.

ORIGIN OF THE CUSTOM.

The custom doubtless had its origin in the early days of commercial transactions, when money as a medium of exchange was not uniform, and the primitive methods of communication and travel caused the merchants to meet with difficulty in obtaining sufficient specie to meet their payments, and as a matter of favor, the payees permitted them a few days in which to get together sufficient coin of the realm to settle their bills. It would seem in these days of large commercial transactions, when the great bulk of the business of the commercial world is transacted without the actual passing of money, that the reason for the granting of three days' indulgence has entirely disappeared, and with the disappearance of the reason of the law, it is the opinion of many that the law itself should change and days of grace no longer be allowed.

The custom of allowing days of grace is deeply fixed in the laws of the commercial nations, but the number of days originally allowed varied all the way from three days, the prevailing time in England, Ireland and the United States, to thirty days in Genoa. In Frankfort-on-the-Main it appears to be four days; in Sweden, six; in Bremen and Denmark, eight; in Russia and Hamburg, twelve; in Rome and Brazil, fifteen; in Spain, fourteen; and, as indicated, in Genoa, thirty days. These matters are controlled more or less by statute and are subject to change, and my figures may not be accurate at this time, but they show the prevailing custom in the different countries. The tendency is towards the allowance of fewer days of grace in the countries of continental Europe, and in fact it may be said to be towards the abolition of all days of grace. When Spain and some of the other countries of continental Europe become provinces of the United States, as they bid fair to become if the present policy of the Spaniards is pursued, it is reasonable to presume that more enlightened commercial laws will be introduced, and that the days of grace will be diminished.

By examination of the authorities published as late as 1890, I find that it is said that no days of grace are recognized in Amsterdam, Antwerp, France, Germany, Leghorn, Leipsic or Naples. And another authority says that Genoa has abolished her thirty days of grace above referred to.

Of the uniformity of the custom Chief Justice Marshall may be quoted, speaking in the case of *Washington National Bank* vs. *Triplett*, I Peters, 25: "The allowance of days of grace is a usage which pervades the whole commercial world. It is now universally understood to enter into every bill or note of a mercantile character, and to form so completely a part of the contract that the bill does not come due in fact or in law on the day mentioned in its face, but on the last day of grace."

Under the rules of the law merchant independent of statute, I believe the commonly accepted view of the best authorities on commercial paper is to the effect that all bills of exchange or negotiable notes, except those payable on demand without specification of time, and except, of course, those expressly without grace, are entitled to three days of grace. The question whether sight paper is so entitled under the law merchant has been somewhat of a mooted question, and has formed the basis of much expensive and annoying litigation; but the great weight of authority, both of text writers and adjucated cases, is in favor of the proposition that a bill drawn at sight is entitled to grace.

When grace is allowed at all in the United States, the number of days is practically uniform, though at one time I find four days allowed in the District of Columbia on paper negotiated in bank, and I believe it was held in one Kentucky case that where the statute does not fix the number of days of grace, it is fixed by the law merchant, and as the law merchant varies in different places, the custom governing in a given place might be proven, and thus it might be shown that it was different from the original three days.

LACK OF UNIFORMITY IN COMMERCIAL LAWS

The law merchant and the common law, of course, must give way to the statutory enactment, and I find that the Legislatures of the various States of the Union without exception, so far as I know, have from time to time enacted laws which are either declaratory of the law merchant, or in derogation of it, more frequently the latter. And thereby the absolute or practical certainty of the law which prevailed under the law merchant has been interfered with, and we have as many different laws concerning commercial paper as there are States in the Union. As an instance of the passage of statutes which are declaratory of the common law, I find that in Iowa there is a law declaring that demand paper is not entitled to grace. But this was without doubt the law prior to the enactment of such a statute, and it has no effect. As an instance of enactments derogatory of the common law, may be cited Colorado, Connecticut, California, District of Columbia, Illinois, Massachusetts, Montana, New York, North Dakota, Ohio, Oregon, Pennsylvania, Vermont and Wisconsin, where all days of grace are abolished.

This meddling by the Legislatures of the several States with the law merchant has resulted in great confusion, and has made that uncertain which was formerly certain. And before the banker in Colorado can know when the note which he sends to New York for collection will be due, he must inform himself of the statutory law of New York, and *vice versa*.

The remedy for the conditions prevailing is found either in no statutory legislation, or else in uniform statutory legislation, which we cannot hope to obtain, unless indeed all the States might be brought to the position of New York, Illinois and California and some other commercial States, which have taken the common sense view of declaring that a note shall be due and payable at the time named on its face. Opposed to the suggestion that the remedy might be found in no legislation, and thus leaving the matter to the law merchant, are several decisions of the Supreme Court of the United States, concurred in by other high authorities, to the effect that the usages of banks in particular localities may establish laws varying from the general law merchant. But this is a detail which it is hardly worth while to go into in this connection. (See Section No. 623 in the first volume of Daniel on "Negotiable Instruments.")

HOLIDAYS IN THE DIFFERENT STATES.

The law with relation to holidays in commercial matters is intimately and inseparably associated and connected with the law with reference to days of grace. It often becomes of the utmost importance to the banker to know how commercial paper which falls due on holidays shall be treated as to presentment, demand, protest, etc. The law merchant was sufficiently certain in this respect, and even more certain than in respect to what bills were entitled to grace, and it is well settled under the law merchant, independent of statute, that a bill entitled to grace, where the last day of grace is a holiday or a Sunday, which in law is a holiday, is payable on the day preceding such holiday or Sunday. Whereas, under the same law merchant, a bill without grace falling due by its terms on a Sunday or a holiday, by operation of the law is due on the day after such holiday or Sunday. This distinction grew out of the origin of the custom of allowing days of grace—a custom, it will be remembered, which was originally an indulgence. And the reasoning was, that while the payee did indulge the payor for three days, yet, if the last of the three days was a Sunday or a holiday, there was no reason why the payee should indulge him a fourth day, and so the law merchant settled it, that payment, etc., should be made on the day preceding such holiday. While in the case of the non-negotiable bill, or the one not entitled to grace, the payor could not be expected to pay the bill until it was actually due, and so the payee must wait until the next secular day.

All this matter as to when a bill falling due on a holiday shall really become due and payable, which was then sufficiently certain under the law merchant, has likewise been interfered with by statutory legislation in the different States. In seven States we find that where the last day of grace falls on a holiday, the bill by statutory enactment merely declaratory of the law merchant, says that it is due and payable on the day preceding such holiday. While in other States, in derogation of the common law, we find statutes which say that a bill on which the last day of grace is a holiday or Sunday becomes due and is payable on the next succeeding business day.

All this is productive of very great confusion and annoyance, because of the uncertainty in which it leaves the law. The remedy for this confusion, likewise, would be found in no legislation, which would make, as above pointed out, all bills fall due on the day preceding the holiday if with grace, or the day after the holiday if without grace. Of course it goes without saying that the allowance or the non-allowance of grace, and the question as to when a bill becomes payable with reference to a holiday, and the question as to what days are holidays, are governed by the law of the place of payment, and not by the law of the place where the contract was made, or the bill is drawn.

LEGAL AND OTHER HOLIDAYS.

This brings me to the consideration of another important question in connection with the treatment of commercial paper as to grace and holidays; and that is, the days which are treated as holidays. There are two classes of holidays for bankers; those called legal holidays, and those which are holidays only by custom of the community in which they are observed. In observing legal holidays, bankers find no difficult questions arising, for on such days they do not open their offices and do not therefore transact any business, but days which are not legal holidays, but are holidays only by custom, are a source of much annoyance, and it is very perplexing indeed for bankers to know how to treat paper maturing in their own and other States upon such so-called holidays. I find upon a hasty examination that no less than twenty-six secular days are considered as holidays in the various States of the Union. Without attempting to detail the days that are holidays for each State, I furnish you with the following table, which shows what days are holidays, but does not attempt to show the States within which they are so declared to be holidays:

January	1	8	19	
February	6	12	22	
March	4	21		
April	1st Wednesday		19	26
May	1	20	30	
June	3			
July	4	24		
September	1st Monday	9	12	
October	31			
November	Election Day		Thanksgiving Day	25
December	25			

DIVERSITY OF LAWS AND CUSTOMS.

Besides the days shown in the above table, in many of the States of the Union, notably New York and Massachusetts, Saturday afternoon has been declared a half-holiday, and in many of the States I find a law prevailing to the effect that where certain holidays, such as New Year's, Washington's Birthday, Memorial Day, July Fourth and Christmas, fall on Sunday, then the next succeeding Monday is a holiday. And sometimes there are provisions that commercial paper falling due on a Sunday which is also a holiday shall be due and payable on the Saturday preceding, and sometimes there are provisions that such a paper becomes due on the next succeeding business day or on the following Tuesday. As an illustration of this, the bank with which I am connected recently sent for collection to a bank in a distant city, an item which matured on a Monday which was a holiday in that State. The collecting banker being in doubt as to the proper interpretation of the law, protested the item for non-payment on Saturday, and, it still remaining unpaid, again protested the same item on Tuesday.

I also find numerous and varying provisions as to paper falling due on Saturday which is declared by the statutes to be a half-holiday in the afternoon, and the provisions vary greatly in the different States. I made a hasty examination of the statutory law in a number of the States with reference to grace, holidays, etc., and I might summarize my examination as follows:

Arkansas.—Grace according to the law merchant. Bills falling due on a holiday are payable on the preceding day, but notice of protest, etc., may be given on the next succeeding day.

California.—No grace is allowed; and as to when a bill falling due on a holiday becomes payable, they follow the rule of the law merchant, and it is payable on the next succeeding business day.

Iowa.—Grace is allowed on notes, acceptances and sight drafts. No grace on demand drafts. A bill maturing on a Sunday or a holiday is due and payable the next succeeding business day.

Illinois.—No grace allowed. Saturday is not a legal half-holiday, although it is observed by custom in Chicago all the year, and bills maturing on Saturday are therefore payable on the same day, while those maturing on a holiday or Sunday are payable on the next succeeding day.

New York.—Grace was abolished in 1894, and a bill falling due on a holiday is payable on the next succeeding business day, except in the case of a half-holiday on Saturday, when the bill is due and payable in the forenoon of such Saturday, but notice, protest, etc., may be made on the next succeeding secular day in case the bill is not paid by noon of the half-holiday. There are many other details of the law which are quite intricate in New York on the questions of holidays, presentments, etc.

The above details show beyond question to my mind that by the statutory enactments of the various States the law merchant has sunk into inextricable confusion, and no one thing has contributed more to this confusion as to the certainty of time payment, etc., than the various enactments in the matter of the days of grace, holidays, and the time when demand, protest, notice of protest, presentment and payment, etc., must be made with reference to holidays. The remedy would seem to me to be in no statutory legislation on the subject, leaving the law merchant to settle all these questions, or better still would be in the utter abolition of days of grace, since the reason for their existence has long since passed. Uniformity of law can never be obtained in this respect by statutory enactment, unless it be along one or the other of these two lines. I do not believe it can be along the line of no legislation on the subject, for the reason that States like New York, Illinois, California and Massachusetts, which have taken the advanced stand of abolishing days of grace, will never be persuaded to take the backward step and repeal their statutes on these matters.

NEED OF UNIFORM LEGISLATION.

The remedy must therefore be along the line of uniform legislation in the various States of the Union. Modern methods of communication and the present excellent facilities for transportation, as well as a uniform medium of exchange, make a nuisance of that which was doubtless a desirable, if not a necessary practice, at the time of its inauguration; and days of grace having long ago outlived their usefulness, are relics of antiquity that should be expunged from our statute books and relegated to the achives of the antiquated.

Inasmuch as it is necessary to change but a single section of a chapter of the laws on the statute books of a State to abolish the days of grace allowed on a bill in that State, it is quite past the comprehension of intelligent business men that we do not now have uniform laws on this subject, for days of grace and their abolition is a subject that has been much discussed before this and the various State associations.

That laws allowing days of grace have not been repealed in all the States is accounted for, I think, by the fact that in the politics of this country there has been, unfortunately, a growing feeling of antagonism toward aggregated capital when it is employed in banking.

The conscientious lawmaker, appreciating his good judgment, consults the banker on the subject of proposed legislation and does all in his power to have enacted laws which would be beneficial to commerce, but the professional politician, knowing his views, not only advocates the passage of laws directly opposite to those proposed by him, but appeals to the prejudices of the people to condemn the banker for having proposed the passage of what the demagogue pleases to call measures favorable to the money power and oppressive to the "sons of toil." As an evidence of the existence of this antagonism toward banks and bankers I will read a clipping from a newspaper published in a State where days of grace are still allowed by law.

"A movement is on foot to repeal the sections of the code which relate to the days of grace. We do not see why these sections should not be repealed. When the country was new, mails uncertain, and intercourse limited, the maker of a note was allowed three days after maturity in which to pay without protest. It was a wise law at the time. We do not see the necessity for it now. The farmer has to pay interest on these three days and he is not benefited in the least. It is more difficult to count interest on the odd days. It is more difficult to make collections, and we cannot see where the benefit comes in to any person. It seems to be one of the good things which are out of date. Some fifteen or twenty States have already done away with days of grace, and we see no reason why this State should not be among the number. We are suspicious of anything that is recommended by banks, but in this case we do not see what harm there is in acting upon their suggestion."

I know that a determined effort was made by the bankers of this State to have the law allowing days of grace repealed, but the sentiment of opposing whatever is proposed by bankers was so strong that the law was not changed, and this State, though well to the front in most things, continues to follow ancient practices in this matter.

HOLIDAYS SHOULD BE OBSERVED.

National holidays are not, in my opinion, too numerous in this country. On the contrary, I believe we should have a greater number of such days and fewer days made holidays by the law or custom in so many different States. A day set apart by the nation as a legal holiday, in commemoration of some important event in its history, should be observed by bankers and business men generally. A proper observance of these holidays will tend to develop a national spirit, and since freedom of thought, speech and action in this country has brought together as one nation representatives of almost every nationality on the globe, it is desirable that we should employ every available method to teach these people to have a proper conception of our free institutions, and inculcate in them that spirit of patriotism which will cause them to love our country and honor its flag.

National holidays are also desirable as days of rest and recreation for the business man. They promote health and energy, and tend greatly to increase the efficiency of those observing them. In the United States competition in business has grown to be so sharp that the successful business man finds it necessary to apply himself very closely indeed if he would keep well in front in the affairs of business, and certainly no class of business men in the country work under a greater strain and higher tension than do bankers. In the discharge of their duties they from day to day draw upon their nervous force as large drafts as it will honor, and they go on from year to year utterly oblivious of the fact that the human system, like the finest steel, will eventually wear out, until finally their physical system becomes insolvent and their drafts against it for more nervous fluid are dishonored and go to protest. Apropos of this thought, I beg your indulgence for a moment that I may read a very brief article on the subject of "That Drop of Nervous Fluid," taken from the "Murder of the Innocents," written by Thomas Wentworth Higginson in 1863. It is as follows:

"If we fail (which I do not expect, I assure you), we fail disastrously. If we succeed, if we bring up our vital and muscular developments into due proportion with our nervous energy, we shall have a race of men and women such as the world never saw. Dolorosus, when, in the course of human events, you are next invited to give a Fourth of July oration, grasp at the opportunity, and take for your subject 'Health.' Tell your audience, when you rise to the accustomed flowers of rhetoric as the day wears on, that health is the central luminary, of which all the stars that spangle the proud flag of our common country are but satellites, and close with a hint to the plumed emblem of our nation (pointing to the stuffed one which will probably be exhibited on the platform) that she should not henceforward confine her energies to the hatching of short-lived eaglets, but endeavor rather to educate a few full-grown birds.

As I take it, nature said some years since, 'Thus far the English is my best race; but we have had Englishmen enough; now for another turning of the globe and a further novelty. We need something with a little more buoyancy than the Englishman; let us lighten the structure even at some peril in the process. Put in one drop more of nervous fluid and make the American.' With that drop a new range of promise opened on the human race, and a lighter, finer, more highly-organized type of mankind was born. With the new drop came new intoxication, new ardors, passions, ambitions, hopes, recreations and despairs, more daring, more invention, more disease, more insanity, forgetfulness at first of the old, wholesome traditions of living, recklessness of sin and saleratus, loss of refreshing sleep and of the power of play. To surmount all this we have got to fight the good fight, I assure you, Dolorosus. Nature is yet pledged to produce that finer type, and if we miss it, she will leave us to decay, like our predecessors; whirl the globe over once more and choose a new place for a new experiment."

The American business man needs and should take more holidays or days of rest; days when he can dismiss from his mind the details of business, and in the society of his family and friends cultivate those traits of human character which will convince him, if he would not become narrow and selfish, that he must occasionally depart from his daily routine of business, mingle with others and see the world, as is sometimes said, "through the eye-glasses of other people." Nothing so broadens a man as contact with his fellow men, when matters of mutual interest are discussed, each furnishing for the other some new thought as the basis for some change in present methods employed in business and social life. Opportunities for this contact with others, outside of business life, would be afforded by uniform laws for holidays in all the States, thereby providing days which would be observed by all the people of the nation.

One of the purposes of every practical bankers' association is to secure uniformity of action on all questions affecting the banking business. Not only in securing and establishing new laws and customs governing banking, but also in weeding out the old which have been rendered obsolete by changed conditions. The banking system of our country has been the product of evolution rather than the adaptation of any well-defined and general plan. The progress of this evolution has been marked by an adaptation, more or less complete, to the demands of business under the different conditions as found in the various stages, working the rapid and most wonderful development of our country. The growth of commerce to its present huge proportions has been in spite of, rather than because of, favorable banking laws; and the development of banking has been quite as much in modifying or letting go entirely outgrown and obsolete customs, and in the adoption of new customs more nearly in accord with the new conditions. The development of banking has been beset with difficulties ever since the thirteen separate and original colonies, with all their jealousies and suspicions of one another, agreed to pool their issues and establish a common government. What little inter-State commerce was carried on then was hampered and restricted as much as though each colony had been a separate and remote nation. There was no attempt at uniformity governing commercial transactions. With different moneys and different standards of money, as well as different local laws and customs governing commercial transactions, the only wonder is that our commerce grew at all. From these conditions have been evolved the banking regulations and laws of to-day, following the rapid growth of commerce, but always a little behind, adapting itself as best it could to the requirements of the time rather than taking the lead and fostering healthful conditions surrounding commerce as many contend it should. Banking development has heretofore been chiefly occupied in keeping up with the commercial procession, and in cutting loose from customs and laws, wise in their day, but whose usefulness has been outlived. From the unfavorable commercial relations of the early colonies there has been a constant though slow growth in uniformity of law, especially in banking and commercial law. So much inter State business is now transacted that a uniformity of all laws governing commercial transactions is not only desirable, but in justice to all necessary.

The agitation of the question by this Association has done much toward the abolition of the days of grace in States where no grace is now allowed on bills. This Association can, by proper agitation of the subject, do much toward the abolition of local holidays, legal and otherwise, observed in various States and cities, and the establishing of more national holidays which will be observed by the different States in the Union, thereby eliminating many difficult questions which now annoy business men, on account of the dissimilarity of days now observed as holidays in the various States. Let us continue our agitation of all these questions until we have uniform laws in the matter of holidays, days of grace, and indeed, until all the laws governing commercial transactions are uniform in all States of the Union.

FRANK W. TRACY, of Springfield, Ill.: I am very much obliged to Mr. Reynolds for his very excellent paper; but I think he overlooks the fact that there is a remedy already—namely, the Negotiable Instruments Law, which has been presented to this Convention for adoption, and which we have asked the members of this Association to press upon the different States. It provides that in all States the maturity of paper coming due on a holiday shall be on the day succeeding the holiday, without describing the nature of the holiday, because the uniform law cannot provide for the holidays, as they are naturally local, except in the case of a national holiday.

I wished to state this to the Convention, so that you will know that Mr. Reynolds is right in his argument, but that the remedy is already in your hands.

THE PRESIDENT: We will now proceed to the next topic on the programme, which is "Banking as It Relates to Industrial Development." The discussion will be opened by Mr. John W. Faxon, Assistant Cashier of the First National Bank of Chattanooga, Tenn.

BANKING AS IT RELATES TO INDUSTRIAL DEVELOPMENT.—BY JOHN W. FAXON, OF CHATTANOOGA, TENN.

Mr. President, Ladies and Gentlemen—This address was prepared more for the masses than for bankers. The bankers are already well acquainted with the facts as set forth.

It is not my purpose to occupy the time allowed me with an attempt to educate the people upon the financial issues of the day. Some of the many theories advanced in the past few years are utterly reckless, and impossible to be understood, even by the best students of monetary conditions, or the elucidator of the most difficult financial problems.

That there has been great progress, in our system of banking, in the past half-century, none will deny; and that we have the satisfaction of seeing every dollar of currency worth a dollar in gold, every day we live, is an evidence of that progress. Many there are in this audience who can easily remember the uncertainties which surrounded commercial enterprises and industrial development not so many years ago, when in every business house there hung a Thompson or Dye's Bank Note Reporter, giving the latest quotations of discounts on the constantly fluctuating currency with which our country was flooded. It was utterly impossible for a business man at that time to tell the profit on a transaction, for by the time such money had circulated, to any great extent, it might have fallen or risen in value from ten to twenty per cent.

But now, thanks to that American idea, that we must go forward and not backward, we have a stable currency, circulating throughout our entire realm, from Maine to Texas, and from Florida to the highest point on the Pacific Coast, where a dollar is always and everywhere a dollar. Let us hope that the people of this great nation will never destroy a system so satisfactory by tampering with it for the purpose of advancing the interests of any political party. Partisanship should be set aside when it advocates schemes to put the greatest stumbling-block in the way of industrial development and commercial prosperity.

ERRONEOUS IMPRESSIONS ABOUT BANKS.

How strange it is that there are so many people with so many curious and erroneous ideas in regard to banks and banking. Many of these errors can be traced to the teachings of those who, in order to curry favor with the masses for political effect, endeavor to prejudice them against banks, by asserting that those who are engaged in banking abound in luxury and indulge in a continuous round of pleasure, as they spend their days in extravagant living, and in counting and gloating over their earnings, which they have "squeezed," in a doubtful manner, and in devious ways, from their customers.

They have also been led to believe that the hard-working and impecunious citizen is the prey of the banker; that the *ipse dixit* of the banker is the cause of the failure or success of a large proportion of the business men of every community.

While this belief is very prevalent among the poorer classes, it is a fact, easily proven, that the majority of men engaged in the banking business, both officers and employees, have little or no pecuniary interest, in the shape of stock, in the banks in which they are employed, but, on the contrary, they are hard-worked, from six to ten hours a day, and many of them on moderate salaries, in a business requiring the most laborious and exhaustive mental exertion, as well as the highest test of responsibility.

It is a part of my duty to correct, if possible, the impressions I refer to, and to change the current of thought of that class who look upon bankers as financial tyrants or overbearing monopolists.

Money is the fundamental element of banking, as it is the only recognized medium of exchange, and as a medium of exchange it is the basic principle of commerce.

Banks are in every sense a benefit and not a curse to the people. The capital stock of a bank is made up of funds generally in small amounts, subscribed by numbers of persons, who are called stockholders.

It is stated that 500,000 people in the United States hold shares of stock in banks. These stockholders are from among the people of all classes in life, and it is estimated that there is one billion and fifty millions of dollars invested in bank stock, in the United States, by these people. Wealthy men, poor men, old men, young men, laboring men, married and single women, widows, administrators of estates and guardians of orphans or of minor children, have all contributed, in small sums, generally not over from $100 to $1,000, to make up the capital stock of the bank.

The officers of these banks are hired men, working on salaries.

Banks loan money to the public on security, where the borrower is a man of credit and is supposed to be honest, for which a charge is made, which is called discount. These loans are made to business men, or corporations, to enable them to increase, for the time being, their capital, in order that they may add to their stocks of goods, or to the material to be used in their manufactories. From the sales of these goods, or the product of their factories, they pay off this paper to the banks and place the surplus earnings to their profit account.

Loans are also made to farmers and commission merchants, who draw drafts or bills of exchange upon those to whom they have consigned their produce. The farmer frequently needs money to purchase his seed for his crops, or with which to buy farm machinery, thus enabling him to put in large crops and to supply more efficient machinery for farm use.

But for the banks the farmer would be without this assistance, just at the moment when it is most needed.

The laboring people in the employ of the manufacturer, contractor or farmer derive benefit from the earnings of the loans made by the banks to their employers in the shape of profits, a part of which are applied in payment of salaries or wages.

The same assistance is furnished by the banks to the millers, lumbermen, owners of coal mines, or ore banks, to enable them to place their output on the market. The last-mentioned interests require large capital to handle them.

It is said that coal, after it is mined, is worth eight times as much as it is in the ground.

Banks, if carefully and economically managed, yield money to these stockholders, which is called profits. A portion of these profits are paid—generally semi-annually—to the stockholders, in the way of dividends, while the balance is placed to a surplus fund, to be held for the purpose of paying any losses that may occur to the banks.

For the past five years, I am informed, the interest paid upon the capital invested in banks has not averaged over six per cent. per annum, and this moiety has been divided among the stockholders of banks, which is but a small revenue arising from their investment.

While there is a class of men in every community who are not bread-winners, on account of their indolent habits, and who are unable to borrow money from banks, it is seldom that any man of good character, who is attentive to his business, fails to secure an accommodation from a bank when it is required. In most cases banks furnish the capital and labor receives the benefit.

MUTUALITY OF THE INTERESTS OF CAPITAL AND LABOR.

Capital, separated from labor, brings upon us industrial depressions, but where capital and labor go hand in hand the result is always commercial prosperity.

The business of the world is kept in motion by capital. Manufacturing, the building of railroads, farming and merchandising are sources from which the largest proportion of working people obtain their wages. The banks furnish the capital for carrying on this industrial development, and they are thus the real providers of money with which to pay the wages and salaries, by which thousands of the laboring classes are kept supplied with the comforts of life, and through which means happiness is brought to the homes of their families.

The truth of this was most faithfully demonstrated in the years of the recent panic, which was one of the most disastrous industrial depressions this country has ever experienced. During this period, when everyone should have been seeking devices to mitigate the severity or shorten the duration of the panic, in certain portions of the country men were agitating strikes, one of the poorest panaceas for such a calamity, while the banks of New York, the aorta of financial life to this country, and the banks in other large cities, were issuing clearing-house certificates, and thus relieving and counterbalancing to a great degree the loss of our money circulation, occasioned by the lack of cautious discernment on the part of those who hoarded up and hid away the money of the people.

This action of the banks enabled the fires in the furnaces to burn, the wheels and machinery of our shops and manufactories to revolve, and furnished to millions of employees their daily labor, by which they secured the means to procure the necessaries of life.

What would the result be to-day if banks and banking were abolished? Millions of laborers would be thrown out of employment, and would be deprived of shelter, clothing and subsistence for themselves and their families.

Available capital would be, in the main, reduced to so great an extent that all the industrial interests of the country would be stopped, while prosperity would disappear like "the baseless fabric of a vision."

Besides being the agency through which the surplus means of all classes of society are made to serve the demands of all branches of business, in the way of deposits, the banks of the country are the guardians of idle capital and are one of the most important factors in the industrial development of a State. The trade area of cities and towns steadily increases under the financial facilities afforded by banks.

Money is the co-partner of industry, and without it the industries of our country would meet with but poor success.

Industrial development is a consequent result of commercial activity, upon which it mostly depends. Commercial activity is absolutely impossible without monetary advantages; and the only means of securing monetary advantages is through the instrumentality of a sound system of banking. In truth, industrial development, commercial success and monetary power are all inseparably interwoven through the indispensable province of banking.

The facilities of banking produce credit accommodation, and this is vitally essential to commercial prosperity and industrial development.

If every county in Tennessee was provided with a bank, available capital would be secured for the development of any industrial enterprise in that community, and for the enlargement of the commercial undertakings of the people.

With five hundred depositors in a small town, and the average deposit of each depositor only $100, fifty thousand dollars would be concentrated at one point, to be used for advancing the business interests of the town. On the other hand, if each of these depositors retained his $100 in hoarding, he would be in no position to help his town nor its inhabitants.

Thus we see that banking is a system which procures the greatest possible good, and the widest conceivable advantages, for the greatest number of people, and the community in which a bank is located is thus aided in carrying on prosperous ventures and extending industrial development, by getting together small sums of money as deposits, which in their separateness would avail nothing, but when taken in the aggregate can achieve a most wonderful success.

I have not the time to discuss the best system of banking for the nation, but the conclusions in this address are derived from the standpoint of a sound and judicious system of banking.

THE BRANCH BANK SYSTEM.

Some of the most eminent bankers of the country are strong advocates of the branch bank system. In almost every nation of note branch banks are permissible. The Bank of France has branches in ninety-four towns and cities outside of Paris. The Imperial Bank of Germany has 220 branches. Scotland's ten banks have 878 branches; Canada has thirty-eight banks, with 483 branches; Ireland has nine banks, with 353 branches. The Bank of England has nine branches, while strong private banking houses have the privilege of issuing notes, as well as that of establishing branches. Italy, Australia, Russia and Austria—in fact, nearly every country in the world, except the United States—have the branch bank system.

Should this system be adopted in the United States, there would be a centralization of capital in the larger cities, where the parent banks would be located. With large banking institutions in the principal cities of Tennessee, branch banks could be maintained in almost every county in the State, where there is not now sufficient capital to organize a bank.

The minimum limit of the capital for branch banks in each State should be $10,000 or $15,000, which amount, with a fair line of deposits, would furnish financial relief to scores of small towns, where there is now but little available capital. These banks, with the capital of the parent bank to support them, would be the means of extending the industrial development of numerous counties, where the natural resources now lie dormant. The great advantage of such a system would be protection to its depositors by the parent bank, and unlimited money to all worthy enterprises, as well as an opportunity to the citizens of the county to place their savings in a bank, where they would be free from the temptation to waste them, and, at the same time, relieve them of the great risk they have to contend with in keeping their money about their premises.

This system would tend to the retaining of our banks' money in our own larger cities of the State, at the parent banks, and not lead the banks of the State to place their surplus funds in the East or West, as they do now, for the mere pittance of interest which they receive.

All large loans made judiciously, by branch banks, could be furnished from the parent banks, and there would be no necessity for the depressive cry of a close money market which has so frequently beset us. In panics there would be such a combination of interests that branch banks would be enabled to weather the storm from aid furnished by parent banks.

The only difficulty in the way to the establishing of this system of branch banks, so necessary toward developing every section of the country, is the objections which will be offered by partisans, many of whom will oppose it, particularly if the method suggested has any restrictions thrown around it, by law, to prevent, or relieve it of, that odium which was attached to the ante-bellum system of State banks.

We can only accomplish such a change under a system of sound banking. where both the depositor and note holder are fully protected from loss, beyond the possibility of a doubt.

THE PRESIDENT: Ladies and Gentlemen, we have now come to the last subject on the programme, and, as the good things are saved for the finality of a feast, what you are to receive will be as luscious as a Georgia peach or a North Carolina watermelon, which, next to the products of Colorado, are the finest things on earth. A man who is the President of one bank always speaks briefly; a man who is the President of twenty-three banks speaks longer and says more. I beg to introduce to you Mr. W. S. Witham, the President of twenty-three banks down in Georgia, who will speak to us on the subject: "The Country Banker." (Applause.)

THE COUNTRY BANKER.—BY WILLIAM S. WITHAM, OF ATLANTA, GA.

Mr. President and Heroes of the War Tax—I come to you fresh from the watermelon fields of Georgia to bring you greeting from the Georgia Bankers' Association. (Laughter.)

We have wondered why General Wheeler didn't make up his cavalry from the members of his Internal Revenue Congress—for they are certainly good chargers. (Laughter.) It is not my fault that this address is to be unloaded upon this *August* body. (Laughter.) I am here by authority of your Programme Committee, and beg to state that the invitation has not cost me a cent up to now.

As I look into the faces of these eminent financiers, representing billions of dollars (by proxy), and attempt to tell them something new under the sun, after listening three days to splendid addresses by men of renown, I confess that I feel a lost chord in this harmony of chin music. (Laughter.) Therefore, in our sympathy for each other, let us learn that——

> "For every ill beneath the sun,
> There is a remedy or none,
> If there be one, then try and find it;
> If there be none, then never mind it."

(Laughter.)

Any lack of preparation on my part to-day is due to the fact that I have been extremely busy trying to influence our depositors to go to the war and our borrowers to stay at home. (Laughter.) My! how deep patriotism has struck into this latter class. (Laughter.) Again, following the example of a large New York bank, I've been urging the surplus help in our banks to go forth in the defense of their country and mine. They refuse to accept this three years' vacation in lieu of the customary two weeks, and they reply:

> "Some may go to the Philippines, and others go to Rome;
> Some to Santiago, but we will stay at home."

(Laughter and applause.)

I come, too, from the land of peace and plenty to greet you in your prosperity, all of which is due to the righteous war in which our country has been engaged. I come to you from a State whose gold crop—cotton—white like truth, soft like our native zephyrs, has never once failed to cancel the annual obligations of our people.

Your committee has requested me to give you a synopsis of the methods by which we have successfully organized and maintained twenty-five banks, located in small country towns. Competition is well-nigh impossible to conduct a city bank under our strict rules and by-laws. I therefore speak to the country banker, and from personal experience. A city banker said to me yesterday: "How can a man run twenty-five banks? It is all I can do to run one." I told him it depended largely upon the capacity of the men and also upon his faith in mankind. I believe there are a great many men of brains and unquestionable integrity ready to hire. (Applause.) Along this line we have had no trouble. When we began giving banking facilities to rural districts, our critics were legion, and many friends predicted disaster. That has all been changed by the past ten years of unequalled success.

I can cite you to a number of corporations in the United States which successfully run hundreds of branches. Do not the telephone and the vestibule train of this electric age multiply one's capacity? (Laughter.)

The fact is, banking must take on progressive methods as well as other lines of business. Theory is one thing, fact is another; the theory of medicine is one thing, the practice of it another. Only two people know the effect of a dose, the man who gives it and the man who takes it. (Laughter.) Castor oil is not given in a tea-cup now; it is capsuled. A sixty-day bank note was once the limit, but now a six months' note sells as readily. It is not unprofessional now for the banker to advertise his wares and drum for trade. It is not inconsistent with conservative banking to contract for the future delivery of money, as the merchant does for goods. The severity of the panic of '93, with its disasters, can never be repeated in this country, because of the new methods of banking, and because the clearing-houses of money centers have a remedy for panics.

Across the face of a Grecian temple was written these words: "Know thyself." Across the ledger of every country banker I would write these words: "Know thy depositor." (Laughter and applause.) It is well enough to get introduced to yourself now and then; but, fellow banker, take my advice: Know thy depositor and know him well. "The proper study of mankind is man," said Pope. I don't know what bank Mr. Pope was connected with, but in this he spoke words of wisdom. (Laughter.)

Speaking to you from the book of personal experience, I advise you, in starting a country bank, to locate in a moral community with sufficient business to warrant your enterprise. (Applause.) In selecting a board of directors, choose men of integrity and known business ability, rather than rich men with large commercial connections. Choose men of character rather than men of reputation—there is a difference. (Applause.) It is often the case that when the reputation and character of the same man meet, it is without recognition, and the now popular little song "We do not speak as we pass by" is *apropos*. (Laughter.) Next, operate under a charter, and always keep the law on your side. Be an independent bank—not a branch. Be liable only for your own debts; for Solomon, that ancient banker of Jerusalem, said: "He that goeth surety shall pay the same." (Laughter and applause.)

Allow the Cashier to hire all the help, and hold him responsible for their acts. Suggest that he do not hire city boys when he can get country raised. (Laughter.) The habits of a man are expressed by the facial poles; the clothes and manner of his associates tell their character. (Applause.) The eyes and swagger of the dissipated always tell the employer everything, unless he is blind.

"How can a man on limited pay,
Charter a seat at a popular play,
And purchase cigars and tobacco, pray?
He can't.

How can he sport an elegant tile,
Ask his dear friends to step out for a 'smile,'
And stable a 2.40 a mile?
He can't.

How can he claim his dear girl's hand,
And circle her finger with glittering band,
When his check book's so weak it scarce can stand?
He can't."

(Laughter and prolonged applause.)

Defalcations result from fast living, and are often due to the indifference of superior officers who do not feel it incumbent upon them to look after the deportment of their employees. Hear me, men of position and influence, and remember that as you are stewards of the stockholders in the bank you run, you are (whether you accept the charge or not) also your brother's keeper. (Applause.) Bond the cashier in a guarantee company in an amount equal to your capital stock. Charge the premium to expense account. Require the Cashier to furnish also a culpable negligence bond. Make him liable for all losses the bank sustains from overdrafts allowed, and from dealings with strangers. Limit the amount of loans he may make to fifty dollars each. (Applause.) Attached to all other notes in the bank should be the borrower's application, stating the amount desired, the time and the security, all approved by the signature of a majority of the board of directors. Do not permit any loans to be made to any one on single-name paper, unless otherwise secured, no matter what the commercial rating may be. Moral risk is your first consideration in making loans. Character is always your best collateral, and next to this consider the business capacity of the borrower. (Applause.)

Again, do not go away from home to do business. In a town of one thousand population employ $15,000 capital, and that in cash. For a population of say 2,500, use $25,000. Keep out of larger towns if you want large profits and contentment. Direct all your energies to the protection of the stockholder, for he is the third and last claimant to the assets of the bank. (Applause.) When he is safe, of course the depositors and all other creditors are secure. To enforce these rules and to prevent a bank from becoming a one-man bank or family concern, place a majority of the stock abroad and in the hands of people who are in position to render some service. (Applause.)

Employ as financial agent for your bank a man living in a money center, and who is beyond all doubt a person of integrity and strong financial connections. He is to employ an expert accountant each year to examine the affairs of the bank, not using the same examiner twice. (Applause.) For a plan of examinations, I refer you to a plan prepared by Mr. A. W. Ehrman, of Detroit, Mich.

Don't borrow money of your own bank, for in case you fail it looks and feels better to owe the other fellow's bank. (Laughter.)

Pay only small dividends or none until your surplus equals or exceeds your capital. We began by paying forty per cent. dividends, but we have learned better. (Applause.)

Be free to dismiss any employee at any time. Let faithfulness and ability insure a life job. The Methodists do this. (Laughter and applause.) Who shall say that the faithful porter, the runner and the teller are not entitled to some credit for the splendid showing the President exhibits to his stockholders at their annual statement? (Laughter and applause.)

Do not permit renewals and extensions of notes. "How can you prevent it?" asks one. As you are the pioneer banker in the new town, do not begin it.

A man came into one of our banks to ask for an extension on his note. He brought with him his wife and three children (this was to influence the jury). The Cashier refused to grant the request, and held up the great gold seal of Georgia, saying: "See that? Will you force me to protest your note?" "My God," the man exclaimed, "what will become of my poor wife and children?" The Cashier told him it was three hours before closing time. The man went out, got the money, paid his note.

It depends on how you bring 'em up. Never ask a renewal or extension of your own payables. You fixed the due date and signed it; meet it. (Applause.) Deal liberally with your correspondent; "tote fair" with him, and my word for it, he will with you.

As our dealings have been largely with New York, I have this to say: Never yet has a New York bank officer gone back on his word to me, although we have dealt with many of them for ten years, embracing two panics and several tight-fitting money periods. Learn a lesson from this, country banker, and never allow your bank to promise what it cannot certainly do. (Applause.)

Next, require that all obligations put upon your bank be by the written consent of the board of directors and the financial agent. Don't go into schemes, stick to your last. Or, as another has said: "Behold the postage stamp, how it sticketh to one thing until it gets there." (Laughter and applause.) A banker once went in to boom real estate. To his surprise real estate went down, and his bank went up. In rhyme he tells the sad story:

"Just about three years ago,
I bought a lot and bought it low;
The man that sold it told me so,
And he's the one that ought to know.

Fifteen thousand was the price,
He didn't have to ask me twice;
I paid it half in one big slice,
And felt as rich as Calvin Brice.

And for the rest I gave my note;
And as my name I glibly wrote,
I had no thought, no more'n a goat,
How big the load I'd have to tote.

Now I sit in silent gloom,
Thinking of my awful doom;
I want to lie in my tomb
Before we hit another boom."

(Prolonged laughter.)

Next, I advise the country banker to have no par points. One country banker received a letter asking for a list of his par points. He replied by sending a picture of Mephistopheles with the hand pointing downward. (Laughter.) Another explained his charges of one per cent. in this way: one-quarter for collection, one-quarter for exchange, and one-half for wear and tear on the money, and added postage free. (Laughter and applause.) There will always be kickers, but you are not to get angry—reason with them. Tell them that—

"De dry wedder breaks wid a big thunderclap,
For dare ain't no drout' what can las';
De season what whoops up de cotton crap
Likewise freshens up de grass."

(Applause.)

During the Civil War, when everything in the South was high priced, a soldier called upon a Hebrew merchant to buy a needle; it was priced $1.50. "But," said the soldier, "ain't that too high for just one needle?" "Mine frient," said the Jew, "you forgets to cound de freit." "But Murphy, next door, only asks fifty cents." "Vell, vy doan't you buy from Murphy?" "He is out." "Vell, if I vas oud, I vill sell dem fur foofty cent too." (Laughter and applause.)

A man may be close, and use a wart on the back of his neck to save the price of a collar button; stop his watch at night to save wear and tear; tie lightning-bugs to his beehive so that the bees can see how to work at night, but he is a philanthropist and a scholar compared to the man who kicks at one-quarter exchange charges of the country banker. (Laughter and applause.)

Lend your money to your regular customers, and do not make a rule of buying commercial paper. It has always been a queer thing to me that the city banker will buy merchants' paper at three per cent. in preference to the rediscounts of a country bank at five and six per cent. A well-managed country bank, with a capital of $25,000, is entitled to the same credit basis as a mercantile house having a rating of six times that amount. (Applause.)

The records show that ninety-seven per cent. of the commercial houses fail, while in some States (the State of Georgia for instance) not one country bank has failed since the close of the Civil War.

The bank's note is always accompanied with collateral; the merchant's note never. The bank is under State supervision and bonded officers; the bank's published statements are made under oath; not so with commercial houses. The bank's assets belong to the creditors; not so with the merchant when he fails. But like the Jew when he went to join the First National Baptist Church. The Deacon asking him "Question No. 32," said: "And now, Brother Frolicstein, are you sure you have got religion?" But before he could reply a creditor in the rear of the congregation rose and said: "Don't dake heem in, for uf he's got reeligion, it's in hee's vife's name." (Laughter and applause.)

Following these suggestions, I guarantee that yours will prove to be the unbreakable and frequent-dividend-paying bank, having but one weak point, and that the possible failure of the city bank with which you deposit. (Applause.)

Now, in conclusion, though you forget all else I've said, remember that nothing can take the place of brains in the successful management of a bank. Remember that no amount of capital with brains can take the place of that one qualification so essential and widely recognized as peculiar to bankers—integrity. No bank can live without it. Birth and education do not guarantee it. F. F. V. sometimes stands for "full-fledged vagabond." (Laughter.) Of the banker it should be said that his word is even better than his bond. The oldest book in the world closes the biography of its hero with these four words: "He maintained his integrity." Choose rather a banquet of crumbs than the luxuries of ill-gotten gain. (Applause.) Seneca, one who had travelled most, said: "I have seen everything, and everything is nothing." Cæsar, a man of greatest fame, said: "This little urn will soon hold all of him who to-day the world cannot contain." (Applause.) I have seen the millionaire carried out of his palatial home in a small box that would fit the poorest of us. Life is short, but character is long. The coin we handle daily does not pass current in the Celestial Realm; we can only be rich *pro tem.* So, young man from the country bank, be content. Live so as to render a good statement of your own personal stewardship and to find yourself a stockholder in that Big Bank above, which shall pay dividends through all Eternity. Then, departing, you may say:

> "Life, we've been long together,
> Through pleasant and through cloudy weather.
> 'Tis hard to part when friends are dear,
> Perhaps 'twill cost a sigh, a tear;
> Then steal away, give little warning,
> Choose thine own time.
> Say not good night, but in some brighter clime
> Bid me good morning."

(Prolonged applause and cheers.)

MR. INGERSOLL, of Iowa: Mr. President, with your permission, I would like to ask Mr. Witham a question for information. He says that a bank should never extend or renew paper. Now, the question I want to ask him is this: Suppose your note is given in a manufacturing community, where you had a large manufacturing establishment, which necessarily depended on the banks for the loan. Your rules, you say, do not permit you to make loans for a longer period than ninety days. Now suppose that corporation had a certain line of credit, and their paper comes to you. How do you expect the company to continue business and pay you off?

MR. WITHAM: Which company—the corporation that is running the mill?

MR. INGERSOLL: Yes, sir.

MR. WITHAM: I am not responsible for the way they run their business. Let me ask you what locality are you from, my brother?

MR. INGERSOLL: Iowa.

MR. WITHAM: Well, who are you? Are you the first man that opened a bank in your town?

MR. INGERSOLL: No, sir.

MR. WITHAM: Then you are not a pioneer banker, and you cannot teach the old people new tricks. (Laughter and applause.)

THE PRESIDENT: Gentlemen, we will now receive the report of the Committee on Nominations, which will be presented by Mr. Lowry, its Chairman.

ROBERT J. LOWRY, of Atlanta, Ga.: Mr. President, and Gentlemen of the American Bankers' Association.—The Nominating Committee, chosen by the delegations from the various States, under section two of article three of the Constitution, hereby nominate to the Association the following list of officers for the ensuing year:

For President—George H. Russel (Applause), President State Savings Bank, Detroit, Mich.

For First Vice-President—Walker Hill (Applause), President American Exchange Bank, St. Louis, Mo.

FOR VICE-PRESIDENTS (BY STATES).

ALABAMA..........J. W. Whiting, President People's Bank, Mobile.
ARIZONA...........H. B. Tenney, Cashier Consolidated National Bank, Tucson.
ARKANSAS.........J. G. Fletcher, President German National Bank, Litt'e Rock.
CALIFORNIA........F. C. Howes, Cashier Los Angeles National Bank, Los Angeles.
COLORADO..........J. A. Hayes (Applause), President First Natl. Bank, Colorado Springs.
CONNECTICUT......G. A. Lewis, President Naugatuck National Bank, Naugatuck.
DELAWARE........Preston Lea, President Union National Bank, Wilmington.
DIST. COLUMBIA...George H. B. White, Cashier National Metropolitan Bank, Washington.
FLORIDA...........John T. Dismukes, President First National Bank, St. Augustine.
GEORGIA...........L. P. Hillyer, Cashier American National Bank, Macon.
IDAHO...............H. N. Coffin, Cashier First National Bank, Boise.
ILLINOIS............G. D. Boulton, Second Vice-President First National Bank, Chicago.
INDIANA............A. G. Lupton, Cashier Blackford County Bank, Hartford City.
IND. TERRITORY...W. A. Wade, President Bank of Marlow, Marlow.
IOWA..............George E. Pearsall, Cashier Citizens' National Bank, Des Moines.
KANSAS.............Calvin Hood, President Emporia National Bank, Emporia.
KENTUCKY.........Fayette Hewitt, President State National Bank, Frankfort.
LOUISIANA.........G. W. Bolton, President Rapides Bank, Alexandria.
MAINE..............A. G. Rogers, Treasurer Maine Savings Bank, Portland.
MARYLAND.........J. D. Wheeler, Cashier Drovers and Mechanics' Natl. Bank, Baltimore.
MASSACHUSETTS...Alfred L. Ripley, Vice-President Natl. Hide and Leather Bank, Boston.
MICHIGAN..........Peter White, President First National Bank, Marquette.
MINNESOTA.........G. G. Thorne, Cashier Northwestern National Bank, Minneapolis.
MISSISSIPPI........G. D. Able, Cashier Bank of Water Valley, Water Valley.
MISSOURI...........F. P. Neal, Vice-President Union National Bank, Kansas City.
MONTANA...........E. B. Weirick, Cashier First National Bank, Butte.
NEBRASKA.........Charles S. Miller, Cashier Farmers' State Bank, Fairmont.
NEW HAMPSHIRE..W. F. Thayer, President First National Bank, Concord.
NEW JERSEY........Nathan Haines, Cashier Mechanics' National Bank, Burlington.
NEW MEXICO.......W. S. Strickler, Cashier Bank of Commerce, Albuquerque.
NEW YORK.........W. H. Rainey, Cashier National Union Bank, Kinderhook.
NORTH CAROLINA..John M. Miller, Jr., Cashier Merch. and Farmers' Natl. Bank, Charlotte.
NORTH DAKOTA....W. C. Macfadden, Cashier Fargo National Bank, Fargo.
OHIO................C. E. Niles, President First National Bank, Findlay.
OKLAHOMA.........J. H. Wheeler, President Bank of Commerce, Oklahoma City.
OREGON............C. H. Caufield, President Bank of Oregon City, Oregon City.
PENNSYLVANIA....William Hackett, Cashier Easton National Bank, Easton.
RHODE ISLAND.....H. J. Wells, President Rhode Island Hospital Trust Co., Providence.
SOUTH CAROLINA..J. A. Brock, President Bank of Anderson, Anderson.

SOUTH DAKOTA....D. F. Mackay, of Daly & Mackay, Bankers, Madison.
TENNESSEE........F. O. Watts, Cashier First National Bank, Nashville.
TEXAS..............T. J. Groce, President Galveston National Bank, Galveston.
UTAH................L. S. Hills, President Deseret National Bank, Salt Lake.
VERMONT...........W. Bailey, President Rutland Savings Bank, Rutland.
VIRGINIA...........Alex. Hamilton, Vice-President Petersburg Sav. and Ins. Co., Petersbr'g.
WASHINGTON......J. P. M. Richards, President Spokane and Eastern Trust Co., Spokane.
WEST VIRGINIA....T. M. Jackson, President Traders' National Bank, Clarksburg.
WISCONSIN.........W. K. Coffin, Cashier Eau Claire National Bank, Eau Claire.
WYOMING..........G. H. Goble, Cashier Rock Springs National Bank, Rock Springs.
HAWAII............S. M. Damon, Bishop & Co., Honolulu.

FOR MEMBERS OF THE EXECUTIVE COUNCIL, NOMINATED BY THE NOMINATING COMMITTEE.

Breckinridge Jones, First Vice-President Mississippi Valley Trust Co., St. Louis, Mo.
J. C. Mitchell, Cashier Denver National Bank, Denver, Colo.
J. G. Brown, President Citizens' National Bank, Raleigh, North Carolina.
H. L. Burrage, Cashier Third National Bank, Boston, Mass.
Bradford Rhodes, President Mamaroneck Bank, Mamaroneck, N. Y. (Applause.)

FOR THE EXECUTIVE COUNCIL, NOMINATED BY THE STATE ASSOCIATIONS.

Charles R. Hannan, Cashier Citizens' State Bank, Council Bluffs, Iowa.
Homer W. McCoy, Second Vice-President Merchants' National Bank, Peoria, Ill.
S. R. Shumaker, Cashier First National Bank, Huntingdon, Pa.
R. McCurdy, President First National Bank, Youngstown, Ohio.
A. P. Wooldridge, President City National Bank, Austin, Tex.

THE PRESIDENT: Gentlemen, you have heard the report. What is the pleasure of the Convention in regard to it?

F. W. HAYES, of Detroit, Mich.: As Chairman of the meeting of the State delegates, I had expected to read the report of that meeting, but I see it has been incorporated in the report of the Nominating Committee. The report is correct.

I now wish to make the same motion that I made last year at Detroit—namely, that we proceed to the election of President, Vice-President, and members of the Executive Council, separately, as nominated by the Nominating Committee.

(The motion was seconded from various parts of the hall.)

THE PRESIDENT: Gentlemen, you have heard the motion made by Mr. Hayes, of Detroit. All in favor of the motion will signify it by saying aye—opposed, no. Carried.

The question is now on the election of President of the American Bankers' Association, and the gentleman put in nomination is Mr. George H. Russel, of Detroit, Mich.

M. M. WHITE, of Cincinnati, Ohio; Mr. President, I move that the nomination of Mr. Russel be confirmed by this Convention.

JOHN FARSON, of Chicago: In seconding this nomination, I am very glad the Committee have given us this splendid man from Detroit. His election means the healing of any differences that may have been engendered last year. (Applause.) I am also glad that Mr. Walker Hill, of St. Louis, has been nominated for Vice-President. At St. Louis we had presented to us the man who presides over us with such dignity—the best President this Association has ever had—(applause)—and so the nomination of Mr. Hill means the burying of any differences that may have been engendered at that Convention. (Applause.)

I hope that our elections in the future may be conducted with the same kindly spirit that prevails here to-day. (Applause.)

M. M. WHITE: May I add to my motion, Mr. President, that the Secretary be directed to cast the vote of this Association for Mr. Russel for President ?

THE PRESIDENT: The motion having been restated by Mr. White, it now becomes the question before the house.

MR. TRACY: I believe we did have a little scrap at Detroit last year, but since then we have had time to think about it, and I am now heartily glad to second the nomination of Mr. Russel. (Applause.)

THE PRESIDENT: Gentlemen, the question is on the motion of Mr. White, that the Secretary be instructed to cast the ballot of this Association for the election of George H. Russel, as President of the Association for the ensuing year. The by-laws provide that the election shall be by ballot, unless otherwise ordered. As many as are in favor of the motion will signify it by saying aye—contrary, no. Carried.

It seems to be and is carried. The Secretary reports——

THE SECRETARY: I cast the ballot of the Association for George H. Russel for President for the ensuing year.

THE PRESIDENT: The Chair takes great pleasure in declaring that Mr. George H. Russel, of Detroit, Mich., is hereby elected President of the American Bankers' Association for the ensuing year. (Applause.)

The question is now on the election of First Vice-President. Are you ready for the question ?

ALVAH TROWBRIDGE, of New York: It gives me very great pleasure to second the nomination of Mr. Walker Hill, of St. Louis, for First Vice-President.

On motion of Mr. Elliott, of Virginia, the Secretary cast the ballot of the Association for Mr. Hill.

THE PRESIDENT: I take great pleasure in declaring Mr. Hill elected First Vice-President of the Association. (Applause.)

THE PRESIDENT: The question is now upon the election of the Vice-Presidents for the various States. The Chair asks unanimous consent to declare elected the gentlemen nominated by the Committee on Nominations. Is there any objection? There seems to be none, and the Chair declares the gentlemen nominated for Vice-Presidents of the American Bankers' Association for the ensuing year to be duly elected. (Applause.)

The question is on the nominations made by the Committee on Nominations on the recommendations of the delegates from the various State Associations for members of the Executive Council.

The Secretary will read their names.

THE SECRETARY (reading): Breckinridge Jones, First Vice-President Mississippi Valley Trust Company, St. Louis; J. C. Mitchell, Cashier Denver National Bank, Denver, Col.; J. G. Brown, President Citizens' National Bank, Raleigh, N. C.; H. L. Burrage, Cashier Third National Bank, Boston, Mass.; Bradford Rhodes, President Mamaroneck Bank, Mamaroneck, N. Y.

FRED. HEINZ, of Davenport, Iowa: I move that the Secretary be directed to cast one ballot for the five gentlemen named.

THE PRESIDENT: These nominations being excepted from the motion made by Mr. Hayes, of Detroit, the question is on the approval of the nomination, and Mr. Heinz, of Iowa, now moves that the Secretary be directed to cast one ballot for their election. Are you ready for the question? All in favor of the motion will say aye—opposed no. Carried.

THE SECRETARY: I have cast the ballot, Mr. President.

THE PRESIDENT: The Chair declares the gentlemen named duly elected as members of the Executive Council for three years. (Applause.)

M. M. WHITE, of Cincinnati, Ohio: I desire to offer the following resolution:

Resolved, That the hearty thanks of the American Bankers' Association be, and the same hereby are, tendered to the bankers of the city of Denver, and all those who have co-operated with them, for the cordial hospitality extended to visiting bankers, and we assure them that we shall ever hold in pleasant and grateful remembrance the obligations imposed upon us as we depart to our distant homes.

The resolution was seconded by various delegates.

THE PRESIDENT: The question is on the adoption of this resolution, and I suggest that the vote be taken by rising. All in favor of the resolution will manifest it by rising. Adopted.

(Mr. Elliott, of Virginia, led in three cheers for the people of Denver, and the bright future of Colorado, and every man and woman in the Convention Hall assisted in the hearty demonstration of thanks which followed.)

J. B. FINLEY, of Monongahela, Pa.: Gentlemen, three years ago this Convention placed at the head of its Protective Committee the gentleman who has served us for the past year as our President, and the work accomplished by that Committee under his leadership has increased the membership of this Association more than anything else since its organization. (Applause.)

And now, in behalf of the American Bankers' Association, Mr. President, I present to you this handsome cut-glass vase, elaborately trimmed with silver. (Applause.)

THE PRESIDENT: Sir, I thank you for this tribute, which I hardly feel I deserve. If in the three years of my official connection with this Association I deserve a tithe of what you have said, I shall pass into the ranks as a private in this Association with only pleasant recollections and with my gratitude awakened for the many kindnesses that have been showered upon me. (Applause.)

Gentlemen, I now present to you the newly-elected President, George H. Russel. (Applause.)

PRESIDENT-ELECT RUSSEL: I beg you to believe gentlemen, that there lurks in this large frame faith in God, a great belief in man, some tender sentiment, and an emotion that your kindness has deeply stirred. I am somewhat embarrassed to fall into the line of succession with the President you have had, but I will try and meet your approval in the work that is before me. (Applause.)

THE PRESIDENT: I now present to you the First Vice-President-elect, Walker Hill. (Applause.)

VICE-PRESIDENT HILL: Gentlemen, I appreciate deeply the great honor you have conferred upon me, and I would be false to every feeling of a true man if I did not heartily and sincerely say, I thank you. (Applause.)

PRESIDENT RUSSEL: Gentlemen, if it is your pleasure, I now declare the Twenty-fourth Annual Convention of the American Bankers' Association adjourned.

Adjourned *sine die*.

Immediately after the close of the Convention the Executive Council met and organized for the new year by re-electing Alvah Trowbridge, of New York, Chairman, and James R. Branch, of New York, Secretary.

Mr. Walker Hill, of St. Louis, having been elected Vice-President of the Association, the Council elected Mr. George M. Reynolds, of Chicago, Treasurer of the Association.

TRUST COMPANY SECTION.

The Trust Company Section of the American Bankers' Association met at the Denver Club, Denver, Colorado, Wednesday, August 24, 1898, in its second annual session.

Luncheon was served at noon, and in the course of the afternoon several interesting addresses were made.

E. T. Jeffery, of the Denver International Trust Company, delivered an address of welcome.

ADDRESS OF WELCOME TO MEMBERS OF THE TRUST COMPANY SECTION.—BY EDWARD T. JEFFERY, PRESIDENT INTERNATIONAL TRUST COMPANY, DENVER, COL.

Mr. Chairman and Gentlemen—The unmerited honor has been accorded me by confiding friends of extending to you on their behalf a welcome to our city and our State.

You have doubtless observed that the most pleasurable undertakings are often the most difficult to perform, especially when they are prompted by generous impulses and must find expression in words instead of deeds.

It is my province to endeavor to convey to you the profound pleasure, the hearty friendship, the high esteem that move us to take your hands in ours and welcome you to the Capital City of the Centennial State. Here our hearts and doors are thrown wide open to you. Here a generous hospitality has been awaiting you, less glittering perhaps than older communities might have offered, but so broad and true and kindly that you will feel joint ownership with us in all we possess while you honor us with your companionship.

Many of you have journeyed long distances, have traversed in coming here the greatest continuous stretches of fertile and cultivated lands in the civilized world, and have seen the vast, the thickly-settled and the resourceful valley between the Alleghany and the Rocky Mountains. You have thus had before you and have studied the greatest object-lesson a free and enlightened people can present to a world-wide humanity at the close of an illustrious century; a succession of noble cities, prosperous towns, thriving villages and cultivated fields from the Atlantic coast to the foothills of the giant ranges whose shadows fringe our city when the setting sun, as if reluctant to leave so fair a scene, bathes their lofty summits in liquid light, while he sinks to his nightly rest in the bosom of the western ocean. I have never passed through the magnificent domain to the east of us without being intensely impressed with the innate strength, the resources, the capacity, the intelligence, the progressiveness and the glorious future of this Republic of ours. A study of the two thousand miles that lie to the east of the continental divide must perforce make an enthusiastic patriot out of any ordinary citizen, even though an unkind fate has veiled his eyes to the other half of the Republic, that indispensable half that lies west of the lofty summits dividing the waters of the Atlantic from those of the Pacific.

But I am here to welcome you, to say words of good-will and hospitality and friendship, and you must pardon me for this brief digression about our loved country, now happily passing from the throes and agonies of war to "fruitful strifes and rivalries of peace."

We welcome you to our Mountain State. You stand within and scarcely one hundred miles from two of the boundary lines of the great Province of

Louisiana ceded to the United States by France in 1803. You are in a State but twenty-two years old, a State young and vigorous, gifted by kind nature with resources so varied, so rich and so accessible as to be of incalculable value in rounding out the future of the nation and contributing to her wealth and power. You are in a State that already leads her sisters in production of gold and silver, and has but just commenced, as it were, to unearth these precious treasures. In this Iron Age the State that welcomes you lays at your feet mountains of iron and bids you inspect her furnaces and factories where the crude ores are converted into finished products equal in quality to those made in any other State. In this Age of Steam she points out to you her inexhaustible measures of coal, of all grades and classes, from anthracite equal to Pennsylvania, coking coal equal to West Virginia, and steam coal equal to Cumberland, down to the lowest grades of lignite that are of use to man. In this Electrical Age she directs you, with excusable celerity, to her needed copper ores, and in this age of general utility she begs to conduct you to her field of natural oil, her deposits of lead and zinc-bearing ores and to her beds of onyx, marble, granite, sandstone and limestone, all generous in quantity and unrivalled in quality. The State that welcomes you will unfold her wonderful panorama of stately hills and rugged, time-worn rocks; of mighty mountain ranges, awe-inspiring and grand, and of peaceful valleys, verdant and fruitful and quiet save for the music of their crystal streams; of dark cañons and gorges and rifts in gigantic rocks that rise straight and strong and awful in their sublimity from the foaming torrents that have worn their way through time immemorial into the narrow, tortuous channels that limit them and speed them in their courses to the sea.

Colorado will present to you melons and peaches that will melt in your mouths, apples that would again tempt old Mother Eve even more strongly than the one she impulsively reached for six thousand years ago, and potatoes that would resurrect old Saint Patrick if he caught their inviting odor as they come from the ovens controlled, like all else within the State, by our lovely and lovable, our independent and capable, our tender and sympathetic, our true and noble women.

Colorado has had her vicissitudes, her people have passed through trying times. The panic of 1893 plunged us to great depths and encircled us with formidable barriers. Out of and above and beyond these we have struggled until our business horizon has broadened more than ever. We have learned lasting lessons in economy and thrift and good citizenship, and we are confident to-day of a future that will recompense us for all our troubles and our toils.

We do not welcome you because our State has unparalleled natural resources, although we like to speak of them; nor because of her sublime physical characteristics; nor because of her pleasant valleys and her fruitful fields. We welcome you because you are our brethren from various parts of this broad land, intent with us in building and strengthening, by lawful means and in honest ways, our financial, commercial, industrial, mining and agricultural interests. The accumulated wealth of our country is mainly the accumulated labor of her people. We welcome you because we want you to see us as we are, patriotic, industrious, thoughtful, honorable and self-respecting. We welcome you because we want you to see our cities, towns and villages, our thoroughfares and public buildings, our business edifices and family homes, our churches, colleges and schools. To these we point with pardonable pride, knowing full well that they are evidence of our achievements and that they will indicate to you our hopes and aspirations. And to Denver, our

Capital City, we bid you thrice welcome. Our hearts go out to you in friendship and hospitality. We pray that you will have interesting and instructive interchange of opinions on the important subjects that are to come before your convention, and that your leisure hours will be gladdened by our azure skies and our genial and exhilarating mountain air. Our success in contributing to your enjoyment will be the measure of our happiness.

The following paper was then presented:

The Duties and Liabilities of Trust Companies Acting as Transfer Agents and Registrars.—By Felix Rackemann, of Boston, Mass.

It will be the object of this paper to present and discuss as far as possible, in lay rather than technical form and terms, some of the more important questions which arise in connection with the legal relations assumed by banks or trust companies in acting as transfer agents or registrars of the stock of other corporations, and in this connection both the duties and the liabilities considered will be such as the law implies from the fact of the relationship and independently of any special contracts.

In any one of probably the great majority of cases the relationship results from a simple vote of the board of directors of a stock company to the general effect that a certain trust company be appointed transfer agent or registrar as the case may be, or that some officer of the stock company be authorized or directed to arrange with the trust company for its service as such, in which case there might follow a short formal letter from such officer, and a reply.

Therefore, in the cases now to be considered, at any rate, we presuppose merely that the stock company has authorized the trust company to act, and that the trust company has undertaken in fact to act, and we are to see what duties the trust company has impliedly undertaken to perform and with what responsibilities or liabilities.

Let us first, however, subdivide our subject somewhat, so that we may, as far as possible, consider concise questions.

Transfer agency is quite different from stock registration. We therefore consider the subject of transfer agency by itself.

The practice of having transfer agencies, although older than that of registration, is comparatively modern, and the legal status of the transfer agent to-day is one which has resulted rather from practice and business requirement than from the acts of legislators or the decisions of judges. The Statute Law of the country probably makes no allusion to such agencies, the courts have decided very little respecting them, and legal principles alone must guide to right conclusions. First, as to

THE LEGAL RELATIONS EXISTING BETWEEN THE TRUST COMPANY AS TRANSFER AGENT AND THE STOCK COMPANY.

There is certainly the relation of Principal and Agent.

The company may transfer its own stock. Probably the greater number of all the corporations do so. But the appointment of a transfer agent is, as between the two companies, just what the name implies—viz., the creation of an agency.

That corporations may lawfully appoint agents is a sound general proposition, and we shall assume for present purposes that such corporations as are now customarily acting as transfer agents may lawfully do so within their corporate powers.

Then what is the scope of the agency?

Generally speaking, the scope can be measured by the purpose; that is to say, if you answer the questions—"Why was a transfer agent desired?" "For what purpose was the agent chosen?" you have stated the scope of the agency. It is an agency, with expressed or implied powers broad enough to accomplish the purpose. By implication of law the power of the agent or scope of the agency is just as broad and full as reasonably necessary to enable the agent to accomplish the object of his appointment.

Probably no safer general rule, nor one more simple in application, can be given here. This, of course, assumes that the directions and authority are not specified in detail and that there is no special contract.

The law of agency cannot be regarded, however, as if there were but two parties, the principal and the agent. There is a third element to be reckoned with—viz.: the innocent outsider.

A merchant puts a man in charge as agent to sell his goods. If the agent be so put in general charge and so held out by the merchant to the public, he may clearly exceed his authority, he may break his express written contract with his employer, and yet the innocent purchaser from the agent gets a good title.

Thus the power of an agent may be one thing by distinct contract as between himself and his principal, and quite another and larger thing as between the principal and the third person. A special contract may limit the former but not necessarily the latter.

If a general agency may be assumed, all the powers of a general agent may at the same time be assumed. The public would not otherwise be properly or reasonably protected.

So it doubtless is with transfer agencies. As between the transfer agent and its corporate principal the special contract governs if there be one, and the implied contract if there be none expressed; but whether the contract as between the principal and agent be express or implied, if the transfer agent is held out by the principal, or allowed in the general course of business to act as transfer agent, the public, if without notice or knowledge of limitations upon the power, would have the right to assume that the agent had full authority to do any and all things which properly formed part of the functional duty of a transfer agent.

As to the relations between the transfer agent and the stock company, there is little doubt or question. The transfer agent is put in charge of the transfer department of the company, and either by contract or implication of law assumes the duty of seeing that the work of the department is properly and lawfully conducted. The law would doubtless decide that the bank or trust company in soliciting and accepting such duties impliedly held itself out to the stock company as qualified by knowledge and experience to perform the duties properly, and would hold the agent voluntarily undertaking such a work to a faithful and reasonably intelligent performance.

It is, of course, beyond the scope of this paper to discuss the detail of stock transfer law. Full text-books have been written on this subject without in any degree exhausting the law applicable, and without answering hundreds of the questions which may and constantly do arise. Much of the law of stock transfers is matter of individual State statute or code provision, more rests on the decisions of the various State courts, and some points probably rest merely on established practice.

All persons, however, are conclusively presumed to know the law, however much lawyers or judges, sitting upon the same or different benches, may differ about it, and generally speaking it is one part of the duty of the transfer agent to constantly apply the true construction of the law to all the transfer work in hand.

On the other hand, let us ask, what is to happen if the transfer agent passes some case without properly applying the true legal principle and loss follows to the company?

It would seem generally safe to say that the transfer agent will remain free of any liability to its principal for damage or loss so long as the agent is guilty of no negligence. In other words, in any given case answer the question whether in the sight of the law the agent has or has not been negligent and you have answered the question whether it is or is not liable to the company, its principal.

Perhaps this brings us to the dangerous and practically unanswerable question, "What is negligence?" Again, text-books in two and three volumes have failed to exhaust this subject. But from a practical point of view it is reasonably safe to say that a bank or trust company acting as transfer agent would be held by the courts to have assumed to possess a high degree of skill and general qualification for the performance of its duties, and would be somewhat strictly held to the constant exercise of such skill and knowledge. If the agent exercises such skill and applies such superior knowledge as it has thus assumed to have, it can hardly be negligent though a mistake be in fact made.

It is the same general law which is applied in other cases.

Lawyers and surgeons hold themselves out as competent and learned and skillful. Should either make a mistake arising from failure to properly apply some settled principle of his profession he would be negligent. On the other hand, either might advise or act according to his best judgment in respect of some doubtful or unsettled point, and though in the end proved wrong would not be guilty of negligence.

So with the transfer agent. He is not an insurer and is not to be held to infallibility. He must, however, be cautious and vigilant.

For an honest mistake in a matter where the law was unsettled and, in the absence of judicial determination, fairly open to different opinions as to true construction, it is hardly conceivable that the transfer agent could be liable to the company, but here again may arise the question—Was the law doubtful? Was more than one construction fairly possible?

It may be safely ventured that the legal duties undertaken by transfer agents and the risk of loss incurred are but in part appreciated by most financial and business men.

The law as to stock transfers is full of sharp turns and technical rules and distinctions and with a great many of the large corporatians of to-day matters are further complicated by the fact that the company is subject to the laws of more than one State. It is not infrequent to find a corporation chartered in one State and doing business in several, or perhaps chartered in several (our large railroad systems, for example), with a transfer agency, perhaps in one of the States or perhaps in an entirely different State.

What law is to govern the transfers in such cases? Or take, for example, the case of New Jersey. The statute law of New Jersey provides that an officer of every New Jersey company must reside in the State, and that a record of the stockholders must be kept at the office of the company in New Jersey. What results may not happen in such a case to a non-resident transfer agent depending for its protection upon the transfer of stock made on its books as complete?

Between two States there is often a conflict of laws. Which is to govern?

Again. the holding of corporate stocks in all kinds of fiduciary capacities has probably largely increased in modern times, and the transfer agent is required to pass upon and deal with cases of wills, trusts and guardianships in its own and in other States. Powers of attorney, assignments for creditors in insolvency and bankruptcy, and all the possibilities of attachment which under the laws of many States may be effected by the service of process on any officer or agent of the stock company, whether known in the transfer office or not, only add new elements of danger.

As to all these matters the agent must exercise the care and skill spoken of. The compensation of the agent should in all cases enable him to consult freely with experienced counsel and reference of all doubtful cases to some trained adviser should be the unhesitating practice.

Stock can be properly transferred only when the outstanding certificate is in proper and legal form surrendered by the true owner for transfer. The person offering the certificate for surrender is often not the registered owner.

Thus the transfer agent must know that the right and title have lawfully passed to the person offering the surrender. In this connection it must be borne in mind that a stock certificate is not a negotiable instrument, and it may be added that the provisions of the United States War Revenue Bill which went into force July 1, 1898, have a considerable bearing upon this passage of title, because a transaction apparently in all other respects perfect may be entirely invalid owing to the omission of the proper stamps. So if the transfer agent has either notice or knowledge that any transaction affecting the title to shares offered for transfer has not paid its proper stamp tax, it proceeds at its risk, for the title may fail and the transfer prove unauthorized.

It is, of course, beyond the limits of this paper to discuss this War Revenue Bill in any detail.

Title to stock and transfer thereof, of course, depend upon the genuineness of signatures, and here again the agent can hardly be too watchful.

Another point remains to be considered as between the agent and the company.

For a wrongful refusal to transfer, though honest, the stock company may be made liable to suit for conversion, and this even though the transfer agent exercised only an apparently reasonable caution in its refusal. If the law finally holds the refusal wrong, this conversion liability of the stock company results. While the agent properly acts cautiously it must not, to protect itself, run too much risk of causing greater or more certain loss upon its principal.

And this leads to one other suggestion. It sometimes happens that bonds or agreements of indemnity are taken in doubtful cases. Such bonds often afford a happy solution of the difficulty. They should always be made to protect the stock company and not the transfer agent alone, for there may well be a liability of the stock company for conversion when the agent would be acquitted of any negligence.

Before leaving this branch of our discussion as to the relation between the stock company and its transfer agent, it may be added that, as between the two, the agent may ordinarily, with safety, take and follow the instructions of its principal, from which it follows that in case of doubt as to correct practice or the true measure of caution to be observed, the agent may without risk of further liability to the principal seek and follow such instructions as the principal may give.

Stock companies like to have their securities popular and readily dealt with and transferred. Transfer agents have no interest in this consideration. The stock company may be willing on this account to take some risk which the agent ought not to take or be expected to take, with liability for consequences. The risk should in such case be assumed by the stock company and the agent relieved by explicit instructions.

But, as stated, these instructions bear only upon the relations between the principal and the agent. The innocent outsider is not affected thereby, and this brings us to the next branch of our inquiry—viz.:

THE TRANSFER AGENT AND THE SHAREHOLDER.

There seems to be a popular notion that when some bank or trust company puts its name in any form or for any purpose on a stock certificate, it must be good and that in some way and to some extent the agent has endorsed it as good.

It was recently seriously argued in a Massachusetts court that Harvard College, which had taken a horse to board at its Bussey Farm, was on account of its high character and reputation chargeable with an appreciably higher degree of care in the treatment of the animal than would be expected of the ordinary bailee for hire. A similar notion (if not unprincipled, at least lacking in principle) exists regarding transfer agents.

It is doubtless true that the appearance of a bank or trust company as transfer agent on a stock certificate adds to the impression made in the market. The signature of such an institution is popularly given a significance which the signature of an unknown clerk would not have. But it is equally true that the name of some man of high character and reputation as president of a company strengthens the company and adds to the impression made.

Surely it cannot be that, when a man of even the highest character and reputation signs a stock certificate as president of the company, he assumes on account of his known character and prominence, or on account of his incidental financial reputation, any greater legal liability in the act than would be assumed by the humblest clerk suddenly raised to the same position and signing his name in the same way.

That the public may be impressed with or influenced by the prominence or character of an agent cannot of itself effect any difference whatever in the legal relations of the agent to the members of the public.

There seems to be no ground whatever in the law for thinking that a trust company, acting as transfer agent, sustains toward the shareholder of the stock company any different legal relations than would exist between the shareholder and a small salaried clerk in the office of the company signing the same certificate as "transfer clerk."

The history of the modern practice of having prominent financial institutions act as such agents, in itself indicates that there should be no distinction. Formerly stock certificates were issued from the office of the company direct, and bore, if anything, in addition to the signature of the president and secretary, at most, the signature of some clerk entitled "transfer clerk."

It was never suggested that such transfer clerk "represented" anything or was legally liable to anybody, so he conducted himself honestly. But experience showed that it was often inconvenient for the company to do its own transfer work; that the stock transactions were often carried on far from any corporate offices; that the officers of the company could not be always present to sign certificates as called for; that the investing public could not be kept waiting indefinitely, and that it was unsafe for the officers to leave unsigned certificates in the possession of ordinary clerks. The stock exchanges, too, in order to guard against frauds, began to insist that there should, in the case of all listed securities, be an approved person or corporation as transfer agent. The whole object, therefore, was to meet the public demand without placing too much reliance upon comparatively unknown and financially irresponsible employees.

It would make no difference in the law whether the clerk under the old practice had signed himself clerk or agent. The only changes made under the modern system are that the word "agent" has displaced the word "clerk," and financial institutions of character and reputation have displaced the individual unfamed clerks.

That this position is not universally conceded to be correct the writer is fully aware, but careful study has failed to reveal any basis in the law for the idea that the mere signature of a trust company upon a stock certificate over the words "transfer agent," creates any contractual liability whatever to the shareholder.

The argument to the contrary must rest upon the theory that the signature of the transfer agent is to be treated as an authentication by one who has contracted with the company and impliedly undertaken with each investor that only true and perfect instruments shall be authenticated, and although it must be admitted that the agent's signature is required on the instrument, yet it must at the same time be remembered that the object of the added signature has not been to gain added authenticity. The necessity for the agency led to the signature. It was not the desire for the signature as an authentication which led to the agency.

A railroad ticket is not good until the agent has put his office stamp and date upon the back. Thus the railroad guards itself against the wholesale theft of its tickets. If a ticket prove bad and be rejected, would it be claimed by any one that the agent was individually liable because he had "authenticated" the ticket, or personally represented anything whatever about it in the act of stamping it?

It is not easy to see any distinction between the two cases.

It may be argued that the real purposes and objects of the agency cannot control and that the investing public is not bound to know and appreciate these contributing causes but may assume from the methods of doing business that the transfer agent is employed to authenticate and holds itself out as authenticating officer.

To such suggestions, if made, it may only be replied that the argument assumes too much and is not sound.

The public has no right to assume the scope of an agency to be beyond what fully and fairly appears to be the object, purpose and intent, and neither the words "transfer agent" nor the part played by the transfer agent justify any conclusions that the agent is undertaking any individual responsibility to the shareholder.

That there is no implied contract relation is indicated also by the fact that the transfer agent individually owes the shareholder no duty to transfer his shares at all.

The agent might flatly refuse to transfer shares, and there would result no claim upon him. The claim would be against the principal and though the agent might, of course, be liable to the principal he would not be directly liable to the shareholder.

The establishment in law of any such liability would work havoc with present business methods, affecting enormous interests, and as between such results and the almost sentimental object of protecting the individual investor, the courts should not hesitate.

Of course there may be acts of a transfer agent from which a direct liability would follow to a shareholder. The agent may be party to some fraudulent scheme, he may carelessly or wrongfully destroy or mutilate a certificate, he may make delivery of a certificate to the wrong person, or may appropriate or lose or carelessly suffer or permit wrong dealing with a certificate left for transfer or a new certificate ready for delivery, for all of which he would or might doubtless sustain a direct liability to the person injured, but this liability would be in tort, it would be based on a wrong, not on a contract, and would not depend in the least for its proof in law upon the fact that the trust company signed as "transfer agent" or was such.

It must not be forgotten, however, that we are referring at present only to those cases where there is merely the signature of the trust company, and the words "transfer agent." It may well be that the addition of some very simple and harmless sounding words will lead to very important, further and different results.

It has been held in at least two cases* that the execution of an instrument under the word "countersigned" was equivalent to a direct and positive representation not only that each original signature was genuine, but that every legal formality essential to the full legal effect of the instrument had been duly observed and performed, the Court in one case using this language:

> "It is very clear that under the regulations adopted by the defendant and pursuing the mode of procedure which it prescribed, the final act in the issue of a certificate of stock was performed by its secretary and transfer agent and that when he countersigned it and fixed the corporate seal and delivered it with the intent that it might be negotiated it must be regarded, so long as it remained outstanding, as a continued affirmation by the defendant that it had been lawfully issued and that all the conditions precedent upon which the right to issue it depended had been duly observed. Such is the effect necessarily implied in the act of countersigning. This word has a well-defined meaning both in the law and in the lexicon. To countersign an instrument is to sign what has already been signed by a superior, to authenticate by an additional signature.
>
> When, therefore, the defendant's secretary and transfer agent countersigned and sold this certificate and put it in circulation, he declared in the most formal manner that it had been properly executed by the defendant and that every essential requirement of law and of the by-laws had been performed to make it the binding of the company."

And in still another case† where a transfer agent had issued excess stock, the Court says of the certificate which came to the plaintiffs:

> "The paper came to them accredited by the genuine signatures of the officers and countersigned and registered by the Central Trust Company registrar, whose duty it was to guard against unauthorized or fraudulent issues of stock. These signatures carried with them, to strangers at least, the very highest assurance of the genuine character of the security."

In this latter case, however, it was the stock company and not the transfer agent which was made defendant in the suit and held responsible.

That the word "countersigned" would be held by our courts generally to

* People *vs.* Brie, 43 Hun (N. Y.), 317.
Fifth Ave. Bank *vs.* 42nd St., etc., Railroad Co., 137 N. Y., 231.
† Jarvis *vs.* Manhattan Co., 148, N. Y., 441.

any such guaranty equivalent may perhaps be doubted, but the fact that the use of the word has been treated by the courts as importing a guaranty while no case appears to the contrary, should in itself forbid the use of the word by banks and trust companies except in the rarest, clearest and most exceptional cases.

The use of the word "registered" also should be most carefully considered.

The extensive significance given by the courts to the word "countersigned" was probably far beyond anything intended by financial men up to the time, and it is not safe to predict the interpretation which the courts may put upon the word "registered" when some case of hardship arises and the tribunal finds itself free to decide that the word imported a representation or guaranty of genuineness or validity and misled some innocent and trusting investor.

We must not leave this branch of our subject without a word as to the results which, of course, may follow, first, in the case where the transfer agent directly interests itself in the sale or "floating" of securities, and, second, in the case where there is found to be any element of bad faith, scheming, or combination of any kind to accomplish an unlawful or improper end.

We spend no time in discussing this latter branch of the case—beyond remarking that of course a transfer agent must answer for his tortious acts like the individual. He answers as an individual, however, and not as agent. In connection with the former it is perhaps only necessary to add that any direct or joint personal interest or effort of the agent in an enterprise, outside the strict scope of the agency, may easily lead to the ranking of the agent as a principal so far as the public is concerned with many or all resulting liabilities.

We take up next in the order of our discussion the consideration of

THE DUTIES AND LIABILITIES OF "REGISTRARS," SO-CALLED, OF CORPORATE SECURITIES.

Here again we find little or nothing in the way of statute, legal decision, or even written discussion of the matter to aid us in formulating the principles or limits of possible duties and liabilities. The practice of stock registration has been a purely commercial growth, and we can perhaps hardly do more than to take the practice as at present established and, applying general legal principles, endeavor to discover and formulate the legal bearings.

The practice of having stock certificates signed by a registrar in addition to the transfer agent resulted from the disclosures in 1863 of what are known as the "Schuyler Frauds."

Robert Schuyler was the president of the New York & New Haven Railroad Company. He was constituted also transfer agent. His firm was also engaged as stock brokers. The opportunity was thus offered to him to issue stock in excess of the lawful limit.

The temptation proved too great, and in the subsequent litigation it appeared that Schuyler had at one time issued thousands of shares of New York & New Haven stock in excess of the lawful limit.

Something of the history and detail of fact as to this rather celebrated case may be gathered from the report of the case (New York & New Haven R. R. Co. *vs.* Schuyler, *et al.*, 34 N. Y., 30, 81).

This scandal and some others which came to light at about the same time caused several stocks which had been prominent in the New York markets to be stricken from the Stock Exchange list, and in January, 1869, the exchange adopted a regulation or by-law requiring that the shares of all active stocks should be registered at some agency approved by the exchange.

The requirements of this rule were shortly satisfied by practically all the large corporations, the stocks of which were active at the time. The Erie Railroad was the single marked exception. That road refused to comply, and its stock was stricken from the New York Exchange list in February, 1869.

Though not perhaps essential to this discussion it is an interesting fact that the so-called "National Stock Exchange," organized in the interest of the Erie road as a method of resisting this new rule, survived only until September, 1869, when, upon application and compliance with the rule, the Erie stock was again entered upon the regular lists.

Some substantial equivalent of this regulation has existed in the case of the New York Stock Exchange since 1869, and Article 20 of the present constitution provides as follows:

"SECTION 1. The Stock Exchange will not call or deal in any active speculative stocks of any company a registry of whose stock is not kept in some responsible bank, trust company or other satisfactory agency, and which shall not give public notice at the time of establishing such registry of the number of shares so entrusted to be registered.

When the capital stock of the company is increased through conversion of convertible bonds already listed, said company shall immediately give notice thereof to the Exchange, and such increase of stock may be added at once to the list. But the registrar shall not register such increase of stock until notice shall have been received from the Exchange that it has been added to the list.

After the stock has been placed upon the list any change in the certificate must receive the consent of the committee on stock list."

We thus see that frauds, corporate scandals and possibilities of further frauds led to the establishment of stock exchange rules to protect against the possibility of similar frauds, at any rate in the cases of all active, listed stocks, and it was this rule of the Stock Exchange in New York which gave rise, at least in this country, to the practice of stock registration.

Transfer agency of stocks had existed for years prior to 1869, but it had been found that even with transfer agents gigantic frauds were still possible, and the "registrar" was provided as an additional protection against similar frauds.

The stock exchange in its first rule, perhaps advisedly, but more probably without special design, used the word "registered." The corporations subject to this rule and desiring to meet its requirements, naturally adopted the use of a word following that of the rule as closely as might be. Some designation of the person or corporation performing the act of registration was necessary, and the word "registrar" was adopted as such designation.

So far as is known it is only quite recently that it has been suggested that the word "registrar" might be held by the courts to have a significance, as between the corporation adopting such designation and the investing public, far beyond any original intent. It was recently learned that certain very prominent stock brokers in the East understood and believed that this word "registrar" might properly be taken, to some extent at least, by the investing public as the equivalent of "guarantor." In other words, these brokers certainly understood that the "registrar" who, as such, signed a certificate of stock thereby distinctly represented to any person thereafter dealing with the certificate many things besides the fact that the certificate was within the stated issue.

The discovery of such an understanding on the part of such men has led many trust companies to a serious consideration of the possibilities, and it is certainly a matter fairly calling for consideration, because a popular notion or conviction, though erroneous, is yet quite apt to have its natural effect upon the judicial mind, and if in the popular acceptance of the financial world "registrar" means more than is or ought to be intended by or understood from it, that in itself is perhaps a sufficient reason for avoiding its further use, at least until the courts have put a true and limited construction upon it.

It is clear that the only object of the new stock exchange rule of 1869 was to guard against the chance or possibility of *over issue* by having some financial institution of character in position to exercise a check upon the transfer agent.

Under the former practice the transfer agent alone might perpetrate enormous frauds. Under the rule of 1869 the transfer agent and the registrar must combine with fraudulent intent.

The danger of over issue was, therefore, the single operating cause. To guard against such danger was the single object of the stock exchange rule, and of the subsequent practice adopted in compliance with that rule.

If all this were understood by the courts, and the more or less prevalent notion of a deeper significance could be entirely ignored, it would seem fairly reasonable to expect but one legal construction of the word "registrar;" but, as has been said, in view of the opinion which to some extent exists "on the street" as to this word; in view of the fact that it has not been construed, and in view of the apparently increasing popular idea that prosperous corporations must be liable in all cases to unfortunate individuals, the use of the word "registrar" should wisely be discouraged.

What can be substituted for it?

To answer this question we must again consider exactly what the "registrar" is, not in law, but in fact as intended by the arrangements made between itself and the stock company.

The "registrar," so-called, is, in reality, a salaried agent of the stock company with the single duty, at any rate as between itself and the stock company, of signing in the capacity of registrar the stock certificates as issued from time to time by the stock company or its transfer agent, but never in excess of the stated capital.

In practice the registrar keeps its registry list, and as stock is transferred by the company or its transfer agent, it receives in each case the old certificate as surrendered and the new certificate as prepared to take its place, it compares the two, it notes upon its registry list the surrender and cancellation of the old and the issue of the new in substitution, and it thereupon identifies the new certificate by its signature upon its face as a part of a stated authorized issue.

It is submitted that the designation "agent to register transfers" would be safer and more correctly expressive of actual facts and intentions than the word "registrar."

The registrar is an agent of the issuing company, it is an agent to make a registry, and it would seem to be some gain to have the fact of this agency relationship to the issuing company made unquestionably clear, because, if the registrar be an agent of the principal and so designated, it would not be natural or reasonable for anybody to assume that he was a guaranteeing agent for any purpose.

The language of the stock exchange rule, together with the settled practice of so many past years, makes it perhaps difficult at the present time to entirely abandon the word "registrar" and all words made from it. The stock markets are suspicious of any changes or innovations, and the corporations dislike to have differences with the brokers. It would be well if registrars of stock might be permitted to endorse upon the certificates exactly what they do undertake and are to be responsible for, including, if desired, in their statement that they represented and were to be liable for nothing else. Such an endorsement, however, would doubtless cause a stock certificate to be practically unmarketable.

If the registrar of stock, by registration, makes a continuing representation to the public that the stock is valid or lawful and properly issued, or even within the authorized limit, the registrar is, of course, concerned to know that each transfer is properly made, and not merely that a former stock certificate is mutilated in the process known as cancellation. Because it may well be that a stock certificate, mutilated in cancellation to the satisfaction of the most fastidious, would still remain as matter of law a perfectly valid stock certificate upon which the shareholder named therein would continue to have all original rights and claims.

It is not the mutilation of a stock certificate which ends its life as such, but only its lawful cancellation in accordance with an authority and direction lawfully given by the true owner.

Should the transfer agent, therefore, accept an old certificate and "punch" it in cancellation without the authority properly given by the true owner it would not be canceled, and any stock certificate put out by the transfer agent in its place would be an over issue, and the registrar, in signing the new certificate, would be registering over-issue stock.

Thus it will be seen that the risk assumed by a registrar in cases where the issuing stock company is its own transfer agent is, perhaps, considerably greater than in those cases where there be a trust company or other financial institution of high standing acting as transfer agent.

In one case* at least the word "registered" in connection with stock has been construed by the court.

The statute of Alabama provides that stock transfers "must be made or registered on the books of the company" to be in all respects complete.

In the case above cited it was contended that registration meant copying or recording *in haec verba*. It was held, however, that a memorandum or statement of the transfer upon the books or stub of the original certificate satisfied the statute.

Much of what has been said in discussing the relations of the transfer agent to the outsider applies also to the registrar, and the reader can make such application without further comment.

In general, it would seem to be reasonably clear that the extent of the practice of stock transfer and registration at the present time, and its constant growth, and the almost incalculable liabilities which are to follow if signatures upon stock certificates by transfer agents and agents to register transfers are to be given any legal significance as independent guaranties or representations to the public, makes it proper for the financial institutions undertaking such duties to advise well among themselves, and with their combined power and influence so finally establish and determine the practices that expressions only shall be used which fully and unequivocally state the

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* Fisher *et al.*, *vs.* Jones, 82 Ala., 117.

exact positions intended to be taken by them whether as agents for transfer or registration, to all persons who may be concerned with the certificate itself. If transfer agents and registrars are to be holden as in any sense guarantors against general losses and disappointments they must be compensated accordingly, for their own reasonable business protection. Such compensation would work a revolution in our methods of stock transfer.

If it be true that any considerable portion of the investing public do place in the signatures of well-known trust companies upon stock securities more confidence than the actual words or legal relations warrant, and if it be true that the presence of such signatures leads investors to dispense with proper care in examining into the securities which they purchase, such conditions, however little foundation they may have in law, yet afford some claim upon and reason why prominent financial institutions should exercise considerable caution not only to save themselves from legal liability, but for the maintenance of the high reputations which only the most careful dealing and methods make possible.

The next topic of discussion was: "Why Trust Companies are Better Equipped than Individuals To Act in Trust Capacities; the Nature and Extent of Their Duties." The following papers were presented on different divisions of this topic:

TRUST COMPANIES AS TRUSTEE UNDER PRIVATE AGREEMENT.—BY ARTHUR HEURTLEY, SECRETARY NORTHERN TRUST COMPANY, CHICAGO.

Of all the duties undertaken by a trust company, that of acting as trustee under private agreement covers the widest field, and presents, more than any other class of business, perplexing and intricate problems, requiring most careful handling in order to bring them to a successful termination. In almost every other capacity in which a trust company is called upon to act, it is subject to and governed by orders issued by courts of competent jurisdiction; the limit of discretionary power is clearly defined; but when it acts as trustee under an agreement entered into by private arrangement, and not controlled by any decree of court, its powers are limited only by the terms of the agreement, and it is usually given the fullest liberty of action.

SOME OF THE FUNCTIONS OF TRUST COMPANIES.

Almost the entire business of a trust company, apart from the trusts it holds subject to order of court, can be placed under the heading, "Trusts Under Private Agreement." As registrar and transfer agent the trust company stands as a safeguard between the officers of corporations and their shareholders. As trustee under trust deeds it is called upon frequently to face many difficult questions relating to the management of large corporate interests, and occupies a place that nothing else can fill, in the reorganizations that have been so popular during the past few years. As trustee under agreements covering the proceeds of life insurance policies, the trust company has opened a field of business hitherto untouched, for many of the insurance companies do not write policies which allow stated payments to beneficiaries, and the trust company, by this form of agreement made with the policy holder, supplies the needed facilities for carrying out the wishes of the person desiring to create the trust.

As agent it is called upon to manage and care for property of all kinds real, personal and mixed, some of it being decidedly in the latter category; while as trustee under declarations of trust it has in its charge matters that often require the utmost care and skill in their management, and unlimited patience on the part of its officers in dealing with the beneficiaries. Most of you have had experience with the client, generally a woman, who comes to your office either when you are busily engaged in work at your desk, or have just made up your mind to go to lunch, and sits down with a firm resolve to spend an hour or so in your sanctum. She generally requires long explanations of all that has transpired since her last visit, and after you have wearily repeated the twice-told tale, goes away, only to write you a letter the next day, asking again the same questions.

There are some who, by reason of inexperience in handling business matters, desire to be relieved of the burden and anxiety attendant upon the care of property; others who, by reason of ill-health, are prevented from giving their attention to their affairs, or who, by the onward march of time, feel their capacity to transact business waning and wish to be relieved of the burden and rest. To these the trust company comes as a friend in need; by an agreement they can transfer the burden to the trust company with the certainty that it can always be relied upon, that it will carefully guard their interests, and so enable them to live free from care and anxiety.

In Eastern cities, where trust companies have existed for many years, the advantages they possess over the individual as trustee under private agreement are well understood by the business community, but here in the West they are of more recent origin, and we are obliged to make a continuous campaign of education. This is gradually producing results, as the very satisfactory growth of our Western trust companies shows.

SUPERIORITY OF TRUST COMPANIES AS TRUSTEES.

Why is a trust company better fitted to act as a trustee under private agreement than an individual? There are so many reasons that I hardly know just where to begin. It offers *stability*. At the last meeting of the Trust Company Section it was stated that there had never been a failure of a trust company. Its charter is usually either perpetual or for a very long term of years; and though its officers will be changed in the course of time, the policy of the company is carried on by their successors, who are trained to follow in their footsteps. This factor of stability affords to the person creating a trust a certainty that his wishes will be carried out by the company in whose hands he has placed his affairs, and that continuity of action and policy will be maintained during the life of the trust. Its office is also apt to be more permanent than that of an individual, and it can be found there at any time during business hours. It seldom resigns and never dies. It does not go away for a long vacation, and is not troubled with illness. It is prepared to transact its business every business day of the year. In short, it is entirely free from the ills to which flesh is heir, as becomes a body corporate without a soul.

It also offers *security* that is far greater than can be given by an individual trustee. It is possessed of ample capital. Under the laws of the State it is obliged to file at different periods statements of its condition, and is subject to examination by officers from the State Auditor's Office or Banking Department. Its officers and directors are generally men of wide experience in business affairs, men whose names are well known in the business world, and whose connection with the company insures the wise and faithful administration of the interests entrusted to its care. In many of the States trust companies are compelled to deposit with the State approved securities amounting in some instances to one-half of the capital stock of the company, as an additional security for the faithful performance of its duties as trustee.

It also keeps the assets of the various trusteeships separate and apart, both from each other and its own assets.

It also insures *experience* in the handling of trusts widely differing in character. A well-organized trust company is many sided. As above stated, its officers and directors being men whose business training has been along many lines, they are therefore fully competent to advise upon matters in connection with the trusts that require just this varied knowledge. Of the trust company it may be truly said: "Of many, one is made," for all work together as a harmonious whole.

Being organized for doing a particular line of business, the closest attention can be paid to all of the many details of the matters in its keeping. Its office force is carefully chosen and its work systematized. It is able by its facilities for the rapid handling of business to accomplish the maximum of result with the minimum of labor and with the least amount of expense to the beneficiaries of the various trusts. It is also in a position to secure the best class of investments and to obtain accurate information regarding all classes of securities. Having often large amounts of money to invest, it is enabled to purchase securities at the best possible terms, thus affecting a direct saving to the trust for which the investments are made.

The nature of its business gives it a large experience in legal matters, and it is therefore well equipped from this standpoint to handle trusteeships under private agreement.

DISABILITIES OF INDIVIDUAL TRUSTEES.

I have endeavored to state some of the advantages possessed by a trust company over the individual for acting as trustee under private agreement. May I venture for a moment to turn to the reverse side of the picture? The individual trustee is subject to the many "changes and chances of this mortal life" that do not fall to the lot of the trust company. He may be absent from the city when his presence might be most necessary. He is apt to be taken ill and to die, often throwing the affairs of the trust into dire confusion. He may become insolvent and thus jeopardize the safety of the trust estate; indeed, the usual result in such a case is the entire disappearance of the trust fund, and if the bankrupt trustee has given a bond, it is too often the case that the bondsmen escape all liability under it through some legal technicality.

Individual trustees are prone to mix up the affairs of their trust with their own; the result, as a rule, being far from satisfactory.

If the individual trustee be a man of affairs, he will have his own business to look after, thus making it impossible for him to give the time to the trust that it should receive.

In regard to investments, the individual trustee is seldom in a position to render a trust as satisfactory service as a trust company. He is not in a position to purchase at as reasonable prices. He is not as apt to keep in touch with the financial world, and investments with him are liable to be matter of individual judgment or made under the advice of some friend, who has a "sure thing." The office force of the average individual trustee is not calculated to inspire confidence in the correct handling and management of a trust, as it is usually not well equipped for such work. Through inexperience or carelessness, an individual trustee often proves very expensive to a trust, and can be regarded as somewhat in the light of a luxury.

To sum it up briefly, the individual does not and cannot offer as trustee under private agreement the stability, security and experience that are afforded by a trust company, and as the years go by these facts are becoming more and more plain to the people.

The trust companies are here to stay. They occupy a place in the business and financial world that nothing else can fill; and the gratitude of those whose interests they are guarding so faithfully, the rapid increase of their business from year to year, attest the value of the services they render, and the appreciation thereof by the community at large.

THE TRUST COMPANY AS EXECUTOR AND ADMINISTRATOR.—BY F. B. GIBSON, SECRETARY INTERNATIONAL TRUST COMPANY, DENVER, COL.

In the assignment of this subject to me the Committee in charge of the Trust Company Section have, perhaps, intended no reflection upon one of the chief resources of this State, although they have evidently overlooked the fact that in this life-giving, health-preserving climate, the administration of estates would hardly be a leading branch of the business of the company which I represent.

ADVANTAGES OF TRUST COMPANIES.

It is becoming more and more apparent that the administration of estates is drifting into the hands of trust companies, and their fitness for such duties is becoming daily more evident. None among their varied offices is more sacred. None brings the trust company into more confidential relations with its clients; and I am persuaded that no service that a trust company renders has proved more satisfactory, or more manifestly for the benefit of the community in which it exists.

Men who have devoted their lives to securing a competence for their families are beginning to realize that it is quite as important to preserve the results of their labors to their wives and children as it is to acquire that competence in the first place.

Large estates are sometimes frittered away and wholly lost by reason of incompetent or unfaithful management on the part of administrators or executors. Too often administrators are appointed whose service proves to be, not as Lord Bacon's maxim expresses it, "for the relief of man's estate," but rather for relieving man of his estate. The court records afford many melancholy examples of this fact. How large a proportion of all the estates administered upon by individuals suffer either from mismanagement, dishonesty, incompetency or extravagance. I know not where else you will find such a lack of orderly, systematic, faithful attention to business principles in the management of property. These are facts well known to all of you, and I am sure that a vast improvement can and will be made by trust companies in this field.

We need not look far for the reason why trust companies are the best administrators. They have large capital and a constantly increasing surplus; their investments are conservative and secure; no sort of speculation enters into their business affairs; fidelity and conservatism are cardinal principles governing all their acts, and their officers are trained and experienced in the discharge of their duties. These elements united must commend the trust company for the work herein discussed. The wide experience of intelligent officers in the handling of investments, their familiarity with all forms of probate law, with the law of descent and distribution, their financial connections and opportunities for advantageous disposition of the property coming into their hands, reduces the loss to estates through administration to the minimum, and renders it possible to produce more from the property of the decedent than can be done by any individual administrator, unless he be a man of commanding business capacity and unusual fidelity to his trust.

DUTIES AND RESPONSIBILITIES OF EXECUTORS AND ADMINISTRATORS.

The duties and responsibilities of an executor or an administrator are many and important. Briefly, they are: faithfully to secure the assets of the decedent and to preserve them for the benefit of the heirs; to protect and pay creditors and to distribute the property as the will directs, or as the law provides. The administrator or executor is thus at the same time the representative of the deceased and the agent of the living. What position could be more confidential in its character, what more sacred in its relations ? Neither the family physician nor the minister of the gospel can stand in a more sacred relation of trust and confidence to the family than the trust company, having in its charge the property of the dead, designed for the support of those who are left behind.

The formal duties of administration under the laws of the various States are substantially the same. The qualification before the court, the advertisement of claims, the filing of inventory, the setting apart of the widow's allowance, passing upon the claims, the selling of property where required, the payment of debts, the final accounting, the distribution of the estate, and the discharge of the executor or administrator, are invariable steps through which the management of such trusts must pass. Many of these duties in ordinary estates are chiefly clerical. This does not mean that they are unimportant. On the contrary, efficiency and promptness in this routine work are both highly desirable in themselves, and generally certain to prevent confusion and misunderstandings in the future.

The indifference of the average individual administrator to the mandatory provisions of the statutes in regard to reports, appraisements and such details, too frequently results in confusion and trouble. I count it not one of the least recommendations for the selection of a trust company in matters of administration, that the records of the court are sure to be full, exact and definite. No one can misunderstand what was done with the property of the decedent, nor be in darkness as to any of the details in the management of the estate.

One of the most important services that the trust company as executor or administrator may render, is in the preservation of the property, where the debts are large and pressing. The estate may consist of equities or of mortgaged property, which may require the outlay of large sums of money for its preservation, or to prevent the sacrifice of the assets by sale in a declining market. Money for this purpose may not be easily secured from parties unfamiliar with the condition of the estate and uncertain of the honesty and fidelity of the legal representative of the decedent. But where the estate is controlled by a trust company, it may not infrequently render the greatest service by temporary cash advances to avoid such sacrifice. I might cite to you an example of a successful trust company, whose prosperity is largely due to the reputation which it gained by the skillful management of its first estate, which at the time was practically insolvent, but which was so protected by wise management as to leave a very large sum for the heirs. I could refer to a similar instance in the experience of our own company, of a valuable and extensive agency business, which, through immediate cash settlements advanced by the executor, was preserved, and ultimately this business—the fruits of a lifetime of labor—was disposed of and a handsome profit realized for the benefit of the estate. These are only examples of a situation which has doubtless confronted all of you in your experiences, and I count it one of the great advantages offered by a trust company that it is frequently able to furnish such financial assistance in time of need.

HOW THIS BUSINESS MAY BE DEVELOPED.

How shall we demonstrate to the public the superiority of the trust company over the individual for these important duties? While I believe that judicious advertising has its place, yet the best advertisement is the successful management of every trust. One estate successfully and economically administered to the satisfaction of those connected with it, is sure to be a strong inducement for others to commit their trusts into the same hands.

In many States where probate fees are discretionary, we must realize that the beneficiaries often cannot comprehend the great amount of detail necessary to the successful management of the estate, nor can they estimate fully the benefits to be derived from efficient administration. In such cases we shall oftentimes have to be satisfied with a compensation inadequate to the service rendered. It is needless to say that the trust company must be thoroughly equipped, not only for its clerical duties, but for ordinary legal requirements as well. It must have an efficient officer skilled in the preparation of simple legal documents, for which either a nominal charge must be made, or the service rendered without any charge whatever. In fact, it must be thoroughly equipped to discharge all the duties imposed upon it with promptness, economy and fidelity, that the estate may be speedily and successfully administered upon, instead of lingering in the courts while the assets are absorbed in fees, expenses and commissions.

THE IMPORTANCE OF SELECTING ONE'S EXECUTOR.

In many States the right of administration is conferred upon the widow or relatives by statute. If they fail to exercise the privilege, it may be claimed by a creditor. Usually there is some one among relatives, friends or creditors ready to assume the duties for the compensation allowed; some one, however limited his qualifications and however free from a realization of the responsibilities imposed upon him, who is willing to undertake the trust.

This is a risk every man takes who dies without making a will. The prudent man, however, will insure the disposition of his property by naming his own executor. He will not trust his estate, and the support of his family, to the inexperience of his wife, to the incompetency of a friend or relative, or to the creditor whose only interest is to collect his claim. But anticipating these perils, he provides against them, by having his will most carefully drawn by experienced counsel, and intrusts his estate to a trust company managed by those whose integrity he knows, and on whose business ability he can rely, to make the most out of the property he leaves. In so far as he can provide for all the contingencies of the future, he has done so. Nothing is left to uncertainty, speculation or chance. He is thus relieved of great apprehensions and misgivings by the knowledge that after his decease his property and estate will be safely, intelligently and economically managed by an efficient and responsible trust company.

THE TRUST COMPANY AS GUARDIAN OF MINORS AND INCOMPETENT PERSONS.—BY ANTON G. HODENPYL, OF THE MICHIGAN TRUST CO., GRAND RAPIDS.

When acting as guardian of minors or incompetent persons, the extent and nature of the duties of a trust company are wide and almost unlimited, particularly if the guardianship extends to the person, as well as the estate, of the ward, as is frequent in Michigan.

Trust companies may be appointed as guardians of the estates:

Of minors;

Of insane persons;

Of mentally incompetent persons; *i. e.*, those whose incapacity to care for themselves arises from extreme old age, mental infirmity, or other causes;

Of spendthrifts; that is, those who by excessive drinking, gaming, idleness, or debauchery of any kind, spend or waste their property, exposing themselves or their families to want and suffering;

Of intemperate persons; that is, habitual drunkards.

In Michigan, trust companies may also be appointed guardian of the person of the wards before enumerated.

OBJECTIONS TO INDIVIDUAL GUARDIANS.

The usual complaint against individual guardians is that they mingle their own funds with the trust funds, neglect the affairs of the trust when occupied with their own business, often make poor investments because of unfamiliarity with this class of business, and fail to make proper accounting to the court. They themselves and their bondsmen may become financially irresponsible. They may die, and a successor become necessary, thereby causing confusion. They may not be accessible when wanted or needed, they may permit their feelings or near relationship to bias their judgment. It is also true that acting as guardian, especially of insane or intemperate persons, or spendthrifts, is anything but an agreeable task for relatives. In such cases, trust companies are especially available, and their officers, by experience, learn to handle these complicated trusts with greater benefit to such persons and their estates.

Trust companies fill all the requirements of a guardian of both person and estate. Their officers are usually men of mature experience and of broad culture and education, who are competent to pass upon all questions of training, accomplishments, education, and all matters pertaining to the person of the ward. Their daily experience in caring for the person and property interests of minors, insane, intemperate, mentally incompetent persons and spendthrifts fits them to solve all of the difficult problems which arise, with greater skill and economy than is exercised by the average individual guardian who meets such problems for the first time.

The trust company always keeps the property of each trust separate from its own. The title to investments is taken in the name of the trust; it never neglects the interests of its ward, because its sole occupation is to look after the trusts committed to it. Its officers are skilled in the investment of funds, and they have unusual facilities for selecting good investments. Under their management the chance of loss through poor securities is reduced to a minimum. It is the business of the trust company to be familiar with the laws regulating the character of investments which guardians are permitted to make. It accounts regularly to the court appointing it as guardian, and its accounts are clear and easily understood. It is itself always financially secure and responsible. It never dies, and the same policy continuously controls the estate. It is always in its office, always accessible; ready at any moment to deliver the property belonging to its ward.

It is impartial, for the reason that it has no personal interest in doing anything but that which is best for the person and estate of its ward.

A guardian of the estate has duties to perform which are scarcely less difficult and important than those of a guardian of the person. He must be a fit person to make investments, protect them after they are made, be skilled in the management of all kinds of real and personal property, hold the expenditures for the support and education of his ward and for the care of the property within the income from the estate. He must not mingle trust funds with his own property, must not become absorbed in his own affairs to the detriment of his duties as guardian.

DUTIES OF TRUST COMPANIES AS GUARDIANS.

The duty of the trust company, as guardian of the estate, is to conserve with care the property of its ward. An infant under legal age cannot be consulted as to investments or as to the disposition of his property. The whole responsibility rests with the guardian, and the trust company must have in mind the fact that it is accountable for its acts to its ward, when he becomes of legal age, many of these acts having been performed long before the final settlement. Each move must be so made that it will bear close scrutiny long years after the transaction has been closed, when all business conditions may have been very materially altered. The minor in the meantime has had no voice in the management of his estate, but he is entitled to demand his property intact. It therefore follows that the trust company must exercise the very highest degree of business ability and judgment in the management of this class of trust.

It often happens that the estate of a ward includes investments in active business enterprises. in partnerships, or in industrial stocks. Very frequently these investments yield handsome returns, but they are not of the class in which any guardian would invest trust funds. They are subject to the vicissitudes of business, to incompetent management on the part of others, to losses through bad debts, and, in times of financial depression, to great shrinkage in value and income. In such cases it has always been our practice to convert this class of investments into money, and to reinvest the funds in absolutely safe securities, though the income may temporarily be somewhat reduced by the transaction. The whole situation should, however, be carefully presented to the court, and nothing undertaken without its direction.

A guardian of the person is called upon to supervise the training, habits, education, accomplishments and maintenance of the minor, and must provide suitable treatment, attendance and care for the insane, mentally incompetent, intemperate and spendthrift, all of which involves much thought and study of the character and antecedents of the ward, an understanding of his peculiarities, a knowledge of schools and asylums and institutions for the care of the insane and intemperate, the personal faculty of controlling wayward children and regulating their habits, a familiarity with instruction in music and other accomplishments, and a wide experience in all matters pertaining to the home training and education of minors and the care of unfortunates.

In caring for an estate, as guardian of a minor or incompetent person, the trust company official acts in a business capacity, but in caring for the person of the company's ward, he finds it necessary to put himself wholly in sympathy with the minor, and to consider all the interests of the child as though he were the father or near relative, planning, long years in advance, the education of the child, so that when the guardianship is terminated, the minor may be able to take the position in life to which he or she is entitled. It is necessary to study the temperament of the minor, to estimate the capacity, to judge as nearly as possible what education and what mode of living will produce the best results in each particular case.

The difficult part of all this is, that while the official may conscientiously plan for the benefit of his ward, the ward frequently has ideas at variance with those of the guardian. No doubt all trust companies who act in the capacity of guardian of the person have had unusual experiences. It has frequently happened that wards of the Michigan Trust Company, who have small estates, demand the most extravagant expenditures. Many of this class wish to be sent to college, to the seashore, wish pianos purchased for them, ask for various other expenditures in large sums, wholly out of proportion to the means at the command of the guardian. These requests, however, must be examined carefully, and passed upon as though the trust company were the parent of the child.

It has sometimes been our experience that children with ample incomes, for whom we have planned proper education, flatly decline to attend boarding school, to study languages or music, or do other things which we regard for their good. It is then necessary to show them that our plans have been carefully thought out, and are right, that they are for their best interests, and, if followed, that the minors will be better able to take the position in life as men and women to which their birth and means entitle them. This can usually be accomplished by gaining the confidence of the child, but it sometimes happens, in cases of refractory boys particularly, that force is necessary. Then we do not hesitate to deliver them to such institution of learning as we deem best fitted for them.

EXTRA-LEGAL DUTIES OF TRUST COMPANIES.

One peculiar case from our experience, and I am done. Some years ago we were guardian of the person and estate of a young and handsome widow of nineteen, who became infatuated with a man already married and the father of two children. Briefly, he proposed an elopement, which, of course, would have resulted in the moral destruction of our ward. Argument and persuasion were of no avail. She knew it was wrong, but could not resist the wiles of the destroyer. Argument with the man was met with defiance on his part. There was no legal method by which we could separate the couple. A father under such circumstances would have thrashed the man in the case. We regarded ourselves as standing in the position of a father to the woman, but naturally did not care to do the thrashing, so we employed a man to take this off our hands, and he did this work very thoroughly and according to the contract. The young woman was at the station at the time, ready to start with her lover, but through our intervention he was not in presentable condition and failed to join her. Our act was illegal. We should not have taken the law in our own hands, but unless we did it, the woman would have been ruined for life. We have always been satisfied that we were justified in the act. The sequel is that the young woman married a very estimable gentleman, and now lives happily several thousand miles away from the exciting scene, and I may add that she feels very grateful to the guardian for its illegal act, performed in her behalf.

The Superiority of Trust Companies to Individuals as Assignee and Receiver.—By John H. Holliday, President Union Trust Company, Indianapolis, Ind.

The functions of an assignee and a receiver, while sometimes identical, usually differ widely. The assignee is appointed for the definite purpose of closing a business that has failed. A deed of assignment is a confession of insolvency, and the duty of the assignee is simply to make all that is possible out of the assets and distribute the estate among the creditors. Both assignee and receiver, however, are governed by the same principles, and for the present purpose the greater includes the lesser.

It is in the broader range of a receivership that the qualifications of the trust company for valuable service find their greatest expression and effect. A receivership does not imply insolvency necessarily. It may mean only temporary embarrassment in a concern caught in the stress of hard times or handicapped by unwise investment of capital. It may arise from the differences of partners, or from hostility to a particular management, or opposition to a certain line of policy, or from a score of other causes. The business may be a profitable one; it may be one which only needs good management to place it upon a paying basis again; it may be one which requires reorganization and the delicate adjustment of conflicting interests. It may be, and often is, one which requires the operation of a plant for a longer or shorter period, resulting in the payment of its debts or in its sale. Acting under the authority of a court, which usually defers to the judgment and determination of the receiver, this functionary (and in a lesser degree the assignee) to do his work in the most efficient manner must have certain qualifications. No individual has all of these; rarely does he combine many of them, and sometimes he has none. The well-equipped trust company has all of them.

PERMANENCY AND RESPONSIBILITY OF TRUST COMPANIES.

The trust company is permanent and responsible. This means much. The individual may have the requisite knowledge and force for the successful execution of his trust; he may have the business well in hand, but death may come and destroy his work. He may hold a trust for years, apparently managing it honestly, and yet absorb or dissipate its assets and become a bankrupt, able to pay nothing. He may be a thief and give occasion for the wits to apply the proverb as to the equal guilt of a receiver.

But the trust company is not likely to be any of these; at least it never has been, for so far as I can learn no trust company in this country has defaulted in its capacity as trustee. The few instances of companies failing have not involved the trust estates committed to their charge, and the percentages of those failures as compared to the whole number of companies is so small as to excite wonder. This fact speaks volumes for the high plane of care and integrity on which the business is conducted. Being permanent and always responsible the trust company offers the creditors of an embarrassed or failing business a positive assurance of safety from death or defalcation.

GENERAL QUALIFICATIONS OF TRUST COMPANIES.

The trust company represents organized experience and ability. The individual may have experience and ability also, but generally speaking he has but one case, and in many phases of management, especially in legal matters, must rely upon assistance. The well-equipped trust company has had many cases, and as all knowledge fits aptly in at some time and place, its accumulation of experience is sure to give it a great advantage. It knows rules and precedents. It is a professional and has had the essential training. More than this, it is not one man but several, perhaps many. It has the wisdom of multiplied counsel. It has a resource of successful men versed in varied lines of business, whose consensus of opinion upon a given subject or policy is more likely to be sound in nine cases out of ten than an individual's, no matter how favored. It has the services of experts at its command. It has a wide acquaintance and business connection, with their manifold advantages. It is far more likely to have the power of selecting the best instruments and organizing forces that distinguishes the competent general than the average individual. It is not likely to be swayed by friendship or dislike. Its many men are almost certain to act dispassionately and upon reason.

The trust company has financial power. In many receiverships the absence of working capital has been the reason for seeking that channel of relief. In an instance under my own supervision a manufacturing concern had a large and profitable business. Its president was ambitious and saw that by removing to the gas belt he could reduce the cost of his product very materially. In building a new factory at the place selected he found that many improvements could be made by which work could be done with greater convenience and economy, and the output increased. He carried out his ideas until more than the whole capital was tied up in the plant. At first, the concern's credit being good, it had little trouble in borrowing the working capital, but soon hard times came along, the banks began to draw in and demand payment. He found himself with a first-class factory full of orders for delivery in a few months and yet unable to produce the goods because he had not the means to pay for labor, interest and material. To borrow money was impossible. There was no recourse but a receivership. He wisely selected a trust company. That institution furnished all the money required and carried on the business at a profit which has nearly paid the debts, and eventually will turn the concern back to its owners with enhanced capital and credit. An individual receiver might have operated the factory as well as the trust company has done, but under the circumstances he could not have raised the necessary money upon receiver's certificates or othewise. The works would have stopped, the creditors would have been paid probably, but the interest of the stockholders would have been wiped out.

In another case a manufacturing concern was hopelessly involved and was being sunk under a load of interest and cost. The trust company advanced a large sum, arranged a composition with the creditors and put the establishment upon its feet again. An individual would have been powerless in this case. I could multiply instances if necessary, but many must suggest themselves to you. The trust company in the possession and control of large amounts of capital depends upon no resources other than its own, needs no negotiation or delay. It is prepared to act promptly. An individual may have to wait for months and then be unable to procure funds. This power alone gives it an incalculably valuable superiority in all cases of financial illness where careful nursing is needed.

The trust company can conduct its business more economically than the individual and with more celerity. Its knowledge has been paid for already and it does not have to consult an attorney at every step, as an individual usually does. The attorney's fees in such cases are often as large as those of the receivers or assignees who do the work, being regulated by the opportunity and not by the amount of service given. Where litigation is not necessary the trust company can save a large proportion of legal expense. Its advances of money cause large savings in cash purchases and discounts. It can afford to charge less for its services than the individual. Its familiarity with forms and methods and its general knowledge of business enable it to move rapidly, taking "short cuts," just as the trained mind and hand can move more quickly and with more effect in all the business of the world. An individual will often drag an assignment or receivership along for the profit in it, but it is the trust company's interest to close it as soon as possible and satisfy those chiefly concerned—the creditors.

This brings me to the last point of superiority that I shall claim, which is the business standing of the trust company, the respect in which it is held. Controlled, as a rule, by men of large reputation in the community both for integrity and ability, it has a standard to live up to and a reputation to maintain. As a powerful financial institution it commands a respect which facilitates the transaction of business. Debtors pay more attention to its demands than they would to those of an individual. They wish to maintain their credit. In closing a mercantile estate under assignment my own company collected nearly ninety per cent. of outstanding claims scattered through four States, a result which astonished an experienced merchant in the same line, who said the firm itself could not have got over seventy-five per cent. And this was done without suit in any instance. The trust company has a reputation to maintain, and it is its interest to do the business in hand as quickly and efficiently as possible, for the better its reputation for skillful management the more business will it get.

To sum up, the trust company is superior to the individual in the capacity of assignee and receiver because:

(1) It is permanent and responsible.
(2) It represents organized ability and experience.
(3) It has financial strength.
(4) It works more economically and quickly.
(5) It has standing and commands respect.

These are great elements of superiority and if properly used will inevitably secure all of this character of business to the trust companies when selection is determined on business principles. Possibly there are companies which do not use them and cannot claim their advantages, but it is their own fault if they do not. I cannot think there are many such. The very reason for the existence of trust companies precludes it. They are formed for the execution of the most sacred duties that can be imposed by man. The care of the property and welfare of the helpless and dependent, the widow and orphan, the feeble and ignorant ones who are such easy prey for the unscrupulous, is part of their mission. To carry out the wishes of the dead who put faith in the company and entrusted their dearest interests to it for years in the belief that it always would be true and honest; to meet the expectations of the living who entrust their property to it in full confidence that it always will be faithful and capable, this demands a conscientiousness and thoroughness which must always serve as a high ideal and inspiring stimulus to right-minded men. It is the highest form of business yet devised, and its name, indicative of its being, is the foundation principle of civilization, the corner-stone of society. And the men who do a trust business must be worthy of it and let nothing be lacking in principle or method.

TRUST COMPANIES AS TRUSTEE UNDER A WILL.—BY W. E. FISSE, COUNSEL OF THE LINCOLN TRUST COMPANY, ST. LOUIS, MO.

Trust companies are a distinctively American institution. No trace of the existence or operation of associations of this character is to be found in either the general or the legal literature of foreign countries. Here they constitute an important factor in our civilization, both in an economic and a social aspect. Our singularity in this regard, coupled with the further fact that trust companies have been established and are successfully maintained in every part of the country, is significant of the operation of favoring influences that spring from the essential and peculiar genius of our people. It would be interesting to inquire into and develop the nature of these influences, and to find the explanation for our singularity, but time forbids such an excursion. Perhaps at some future meeting of this Association this investigation may be exhaustively pursued.

The theme of this paper embraces very much of what has already been said by others concerning trust companies in the relations of executor, administrator, guardian or committee of minors and other incompetent persons, assignee, receiver and trustee under contractual arrangements. What has been said it is unnecessary to repeat, nor need further reference be made to these observations except to note, in passing, that whatever advantages attend the employment of a corporate agent in any of these varied functions, with respect either to the circumstances of security for the funds of the estate, integrity in administration, promptness in the dispatch of business, unbroken continuity in management possible because these companies are beyond the accident of interruption by sickness and death, and also in respect of the application to the particular business, of the extensive information, resources and specially trained skill that characterizes this specialty, as it characterizes every other specialty followed as a profession, as well as the other general incidental and attendant advantages growing out of the nature of the corporate organization, are all present in the case of an appointment as trustee under a will, as fully and completely as in the case of an appointment to any of the other offices that have been mentioned.

In other and important respects, however, the function of the company in this relation of trustee under a will may be differentiated from its functions as trustee in any other capacity. An appointment as trustee to execute the directions of a testator, contained in his last will and testament, and thereby to continue the dominion of the owner over his property indefinitely beyond the period of his own life, with the special object of preserving that property intact, and of increasing it and using it as he might himself employ it, for the best advantage of his family and dependents, is at once an office of the highest responsibility and a mark of the greatest confidence which one man can confide to another. In no other aspect of its operations does the company enter so fully into the family life of a community, nor is its action otherwise ever characterized by so much of the human and personal quality and sentiment as in this case.

Several recent instances of the testamentary disposition of estates, notably the wills of the elder Vanderbilt and of his son, of Mr. Robert Garrett, and still more recently the will of the late George M. Pullman, have furnished illustrations of the disposition of testators to preserve their estates intact after their death, under proper arrangements to provide out of this estate for all those who are fair objects of their bounty, in substantially the same manner as they might themselves do if living and preserved the capacity to control their property. These instances of testamentary disposition have attracted attention because of the conspicuous eminence of the testators, but the tendency and disposition noticed in these cases is not by any means confined to the class of the very wealthy. Every lawyer of much practice in the drafting of wills is familiar with the fact that an equally strong inclination to dispose of their property in like manner prevails among those of moderate means. Indeed, it may be truly said that testamentary dispositions divide themselves into two great classes: first, those which dispose of the entire estate in favor of the wife, absolutely, to the exclusion of children except so far as it is expected that a sense of duty on the part of the wife and her affection for the children will lead her to deal justly with them; and, second, those that provide for the management of the estate through the medium of a trust created in the will.

The marked tendency to adopt schemes of testamentary disposition whereby the donees are restrained of the full dominion over the property given to them, marks an important change in our habits as compared with an earlier period, and perhaps is also part of that evolution already spoken of which has produced the trust company institution.

The extensive variety of arrangements for the management and disposition of an estate that are possible to be effected through the medium of a trust, the readily flexible nature of this medium, and its adaptability to be changed according to varying conditions and circumstances, make it an exceedingly attractive device, and render it possible for a testator to exactly accomplish his will, no matter what that may be.

The creation of a trust, however, necessarily involves the selection of a trustee. A testator, therefore, revolving in his mind a plan for the disposition of his estate in trust, is immediately called to the performance of what is at once the most delicate, as well as the most important, choice that he is required to make at any period of his life. Moreover, the election once made, and having finally become operative, has immediately become irrevocable by him. The testator may therefore well hesitate and ponder long before determining his choice. Of the weakness of a trust administered by an individual trustee he must become quickly conscious. If he be a man of affairs, the probability is that at some time or other he has himself acted in the capacity of trustee to gratify the desire of some near friend, and that he has thus, through his own experience, become aware how onerous and burdensome are these fiduciary duties to one whose occupations otherwise fully engage his time, and how likely it is that such offices will be neglected on account of the interfering obligations of one's own affairs. Or perhaps he knows the history of the estate of some other friend that has suffered from the indifferent or negligent or perhaps dishonest handling of some trustee who at the time when he assumed the duty stood as well and apparently deserved confidence as fully as any man open to be selected by himself. If his information concerning trust matters is very extensive, he has probably become thoroughly convinced that indemnity bonds furnish exceedingly poor protection to estates, and constitute a very inadequate substitute for faithful and skillful administration. But even if his experience be less wide, he cannot help but be alive to the fact that, however wise and prudent may be his original choice of an individual as trustee, and however proper may be the conduct of the trustee whom he may originally select, many accidents may happen, chiefly the ever-present peril of death, whereby the estate will be transferred from these competent hands into the custody and control of some other person whose selection he cannot either foresee or largely control. Perhaps, while revolving the thought in his mind the thought may occur to him that the evil of employing an individual trustee may be overcome by the selection of several persons as trustees, but either his own knowledge or competent advice will quickly convince him that there is no advantage in this resource, but rather an increase of difficulty, since the multiplication of trustees is in fact no more than the division of one brain, so to speak, into several parts, involving the necessity of bringing together the separated parts and combining them into harmonious impulse before any action is possible. He will quickly come to appreciate, therefore, that in multiplication of trustees there is merely an aggravation of the evils incident to the appointment of an individual to the office.

ADVANTAGES OF CORPORATE TRUSTEESHIP.

Considerations of this character justify the creation of corporations to assume these trust duties, and the selection of a corporation as trustee at once relieves the testator from the danger to his estate due to the matters pointed out. The advantages that attend the selection of a corporate trustee, especially to perform trusts created in wills, are, however, not wholly the negative or passive advantages attributable to the corporation because of its artificial character, but there are other advantages of a positive nature which are powerful to give the corporate trustee unquestioned advantages over an individual acting in the like capacity. These advantages are especially marked in the case of those trust arrangements that have for their object the accumulation of a fund for some specific purpose; the protection of daughters from the wiles and arts of spendthrift husbands, or of sons pursued by importunate creditors, and similar family arrangements. The employment of a corporate trustee is also of particularly marked advantage in those instances where the necessity of the testator's situation requires that he shall give to the trustee a wide discretion as to the alienation or conversion of his property, or with respect to the time or necessity of making payments to particular persons.

Experience has shown, too, that in another condition the employment of the corporate trustee is of exceedingly great advantage—namely, in those cases where the condition of the testator's business demands frequent and large advances of money in order to preserve it in its integrity, and practically requires for its management the same daily care and attention that he has been accustomed to give to it. Scarcely any individual can be found who is able to command sufficient resources to make the advances that are requisite for this purpose, and to give it the necessary attention. Another condition where the advantage of the corporate trustee over that of an individual is unquestionable, is in the frequently occurring cases where the estate is invested wholly in stocks or securities of some corporate enterprise and constitutes the controlling interest in that enterprise. The disadvantages of breaking up this control by a division of the estate are apparent.

TRUST APPOINTMENTS DISTINGUISHED.

The foregoing considerations that are influential in the mind of a testator in making selection of a trustee, and that serve to indicate the advantage of a corporate trustee over an individual, also serve to point out a broad distinction between the office of trustee under a will and most other trust appointments. Generally speaking, it is the principal duty of a trustee administering a trust created otherwise than by testamentary arrangement, to get into its custody and to divide property either in kind or in money after the conversion of this property. True, a committee or guardian for an infant or lunatic or other incompetent has to a certain degree the duty to conserve the estate. Nevertheless, in each of these cases the distribution of the entire estate is the ultimate end of the trust. In the case, however, of a trustee under a will, the leading duty is the conservation of the estate and its increase by investment and through the accumulation of surplus income, and there is generally no duty to make distribution except so far as this duty is annexed to the management of the accruing income. It is the contemplation of the duties required of testamentary trustees that demonstrates most conclusively the advantages of corporate agents over individuals, particularly in the management of trusts of testamentary creation.

DUTIES OF TESTAMENTARY TRUSTEES.

The first duty of such a trustee, of course, is the duty to collect the estate. It is true that so far as the machinery of courts is required to accomplish the task, this machinery is as equally and completely available to an individual trustee as it is to a corporation acting as trustee; but the least experience in the management of business affairs leads to the prompt conviction that the poorest of all methods to compel payment that can be adopted is a resort to litigation. The expense and vexatious delays, the abundant opportunities for disposing of property pending the litigation so as to defeat the final judgment, and other considerations that readily come up in the mind, all attest the advantages of employing personal influence, personal strength and personal skill along other lines to accomplish the end of collection. In this respect a trust company has an infinite advantage over any individual. It is an organization powerful beyond the strength of any man. It is an entity whose strength is felt and recognized throughout the community. It is, moreover, an entity whose force is concentrated, and whose energy is always and constantly available to be fully and effectively exerted. This power of the trust company is silently effective to enforce demands proceeding from it that in the case of an individual would be ignored or slighted or contested. Men, however, do not enter upon contests till after they have measured the strength of their antagonists, and the general strength of trust companies is rated so far above that of individuals that settlements and payments become easy in its case that in the case of an individual claimant would be doubtful or delayed.

Closely connected with this conception of the strength of a trust company, and actively co-operating with it to make the company successful in its demands, where an individual would not be successful, is another influence —namely, the activity of the trust company in its other departments, particularly its banking or lending department. Its resources and its activity in this direction raise a disposition to gain its favor for possible occasions in the future, and thus in its ability to touch at once the springs of fear and favor the trust company is possessed of advantages which no individual can possibly exert. This advantage spoken of is not one that arises merely out of the possession or employment of large capital. The ample resources at its command contribute no doubt to the strength of the corporation, but no individual, even though he commanded capital greatly in excess of the capital at the command of a trust company, could exercise the strength which it puts forth, because this strength arises out of its organization and the concentration within that organization of the power and strength of many men.

In respect of their capacity to discharge the duty of investing moneys of a trust estate, trust companies acting as trustees have an equal or greater advantage over individuals exercising the like office. The investment of money constitutes a principal part of the business which a trust company is organized to conduct. To the profits arising out of these investments the stockholders look for their own dividends. The company has command of large sums of money, consisting of its capital and its accumulated deposits. It is therefore resorted to by persons who are willing to pay a price for the use of this capital, and since it is out of the necessities of this class that securities for investment are created, trust companies become the sources where investment securities are created. Through the operations of their daily business in what may, for the present, be called their own business, they are constantly supplied with securities suitable for the investment of trust funds. Indeed, it is hardly too much to say that the principal part of the investment of trust companies, at least those of them that have connected with their business a highly organized trust department, are usually made with a view to the use of these securities in supplying the want of investments for trust estates. Estates in the hands of the corporation can therefore be always supplied with investments as promptly as the necessity of the case may require. There is no interval of waiting, no delay, no interim of unearning rest. No individual can possibly keep himself supplied in advance with securities proper to be used by the trust estate, and therefore in his case there must be frequent and successive periods during which the fund, or a portion of it, remains idle while waiting the discovery of a proper investment.

The nature of the investments proper for the employment of trust funds are controlled, of course, by the ordinary rules of law, whether the management of the trust be in the hands of an individual or a corporation. In this respect, therefore, the corporation stands on the same plane with individuals. The individual has no advantage whatever. But in respect of the opportunity to get investments, and especially in the selection of investments, the organization of the trust company supplies facilities which no individual can command.

SKILL IN THE SELECTION OF INVESTMENTS.

We need not enlarge upon the superior skill in the art of investing money which those who make the exercise of this art their daily business acquire over others who are called to this duty only occasionally. Nor do we need at present to enlarge either upon the instrumentalities which a trust company accumulates and employs in determining the quality of security offered to it for loans of money. Neither will any time be spent in pointing out the attitude which trust company officers habitually occupy toward applicants for loans, nor can time be taken to point out the influence of the trust company's ever ready "no," as contrasted with the ordinary disposition of individuals to grant what some one else asks as a favor, especially where it does not involve the employment of one's own money. But if we can imagine an individual possessed of equal skill and equal information and resources for acquiring information with regard to securities, in respect of its ability to resist importunities to make investments that business judgment does not commend, the trust company has an advantage over individuals which should determine the selection of the corporation to exercise the trust offices, even if other argument was wanting. In such cases as are here spoken of, the impersonal character of a trust company is of immeasurable advantage, and is a circumstance of immeasurable security to all the trusts committed to its charge. An individual called to decide whether to grant or refuse application for a loan must always meet and deal with the applicant face to face. A trust company officer, even though he possessed no more than the average strength of character, when he finds himself weakening always has a ready resource at hand. If he would evade importunities, or excuse his own action, the invisible committee is always within reach as either a haven of refuge or a court of last resort. This invisible committee, with whom the applicant seldom or never comes in contact, is a tower of refuge and strength not available under other circumstances.

It may be said that, since trust companies deal in and freely sell securities, any individual trustee by application to a trust company may obtain these same securities which if the estate were in its charge would otherwise be diverted by it to the trust estate; but if this statement be accepted as true, in its fullest measure, it does not weigh against the statement of our proposition that in the investment of trust funds corporations have advantages over individuals acting as trustees, because the very fact that individual trustees do find it to their interest to resort to trust companies for the purpose of being supplied with investments for trust funds in their hands is a confession of the superior advantages which trust companies have for making investments of this character, and constitutes an admission of our entire argument.

CARE AND DISCRIMINATION EXERCISED BY TRUST COMPANIES.

Attention may be called to another circumstance favoring the employment of corporate trustees, especially in the administration of trusts created by will. It is lamentably true of individuals that they exercise less care and caution in dealing with other people's affairs than they do in the case of their own transactions. This lack of care and prudence may not rise to the point of actionable negligence, nor amount to willful misconduct on the part of the trustee, and yet the consequences to the estate may be exceedingly harmful. I think there can be no doubt that, in the aggregate, the lack of care and caution to the degree that the trustee would have exercised in his own affairs has worked losses both in number and amount greater than the number and amount of losses attributable to the dishonesty of the trustee in the management of the trust estate. It is a conviction that contsantly grows in the mind of every professional man having to deal with this field of business, that carelessness in a trustee is infinitely more to be dreaded than the lack of honesty or integrity on his part.

In the case of estates managed by corporate trustees it is impossible that they should suffer because of any discrimination due to the fact that the funds belong to some one other than itself. With these corporations there can be no clashing of selfish and representative interest, as in the case of individuals. The interest of a trust company is always and invariably representative. We speak familiarly of investments made by trust companies of their own funds, afterward transferred to trust estates in their charge, but this is inaccurate language, for in truth trust companies never have any funds of their own. Every cent of money which they handle in any department of their business is the money of other people. Investments made in the interest of their stockholders, of the capital of the company, investments of the accumulated deposits, are all trust transactions of nearly the same rank as trust engagements arising out of contracts or wills. Thus through all of its operations in every department the trust company acts as an agent, is always exercising the duties and bearing the responsibilities of an agent, and is during every instant conscious of the obligation to account for its every action. The visitatorial power exercised by the State contributes something, though slightly, to the enlargement of this consciousness. It is a sort of professional instinct, akin to the professional instinct of good faith which actuates the lawyer in the practice of his profession, and it affects every subordinate in the service of the trust company as fully and in the same manner as the spirit of patriotism and loyalty to the flag permeates every portion of an army till it reaches even the most inconspicuous private in the ranks. The trust company is therefore constantly alert and alive to its duty in the handling of trust moneys, and that carelessness or indifference often noted in the case of individuals is impossible from the nature of its organization, and the discipline which is enforced because of this organization.

But if we regard the interest of a trust company as in any respect separate from the interests of the trust estates committed to its charge, we find that in the investment of money for these estates its position is exactly the reverse of the position of an individual engaged in the exercise of a like duty. The very opposite influences are operative in its first investment of money, because generally these first investments are not made with the idea of immediately appropriating them to any particular trust estate, but with the idea of gaining a safe and profitable investment for the capital or other funds of the company itself. If, therefore, there is at any time any opportunity or occasion to discriminate between funds which it handles as trustee and those funds which belong to itself, an advantage accrues to the trust estates out of its operations, instead of a disadvantage, as in the case of an individual.

Another influence of considerable importance, and one that works also oppositely to the selfish interest of an individual handling trust moneys, is the spirit of competition with other companies. The rivalry of companies extends not only to the securing of business, but it reaches the management of business committed to their charge, because out of that management reputation is gained, and the opportunity to secure business is very largely dependent upon the nature of the reputation which a company enjoys. A good reputation is acquired only by accomplishing good results in the management of estates that they have taken into their charge. In one way or another the action of trust companies in respect of this management becomes known, and in a greater or less circle of people becomes the subject of active discussion. The information is, however, not confined to this circle. The results gained are compared with the accomplishments of the same company in other cases, and with the accomplishments of other companies in similar cases. This rivalry, altogether lacking in the case of an individual trustee, is a constant spur to the corporate trustee, urging it to the very best possible performance, and does not permit, as in the case of an individual, a disposition to tolerate only such performance as will serve to carry the trustee past the threshold of a court without censure.

There are other matters respecting this ability of the corporation to discharge this duty of investing the moneys of a trust estate, which it would be interesting to discuss, but so much time has already been devoted to that feature that it is necessary to hurry on to other topics.

SUPERIORITY OF METHODS OF ACCOUNTING.

The advantage of a corporate trustee in respect of its ability and disposition to discharge the important duty of keeping an account of the trust estate is conspicuous and important. Every lawyer of experience will testify to the fact that in practice among individuals this duty to account is less satisfactorily discharged by trustees than possibly any other function of their office. It is usually regarded as an onerous duty. Not uncommonly the items of account are so infrequent that their entry does not form any part of a routine of business, and the account is not otherwise kept than in the form of hurried memoranda, which when taken up for use have become so dulled that their actual significance is no longer thoroughly understood. In a trust company, however, the organization is sufficient, and the necessity of the business demands and compels the constant and daily contemporaneous record of all transactions, and thus such a company is at all times obliged to keep as a part of its own business a true account of the trust matters in its charge, and is at all times prepared to render a prompt and complete account of these trust matters. In the administration of trusts that provide for the accumulation of portions, or for purposes of income, or for distribution of net income, this superiority of the trust company is of exceedingly great practical advantage, and I have yet to meet a person familiar with the corporate and the individual method who has not extolled the practices and advantages of the trust company in this respect.

In its dealings with members of a testator's family, or others interested in the estate, a trust company, again, has advantages over an individual attributable to its impersonal quality and entire freedom from family or personal interests and entanglements. It is perfectly wonderful what impracticable schemes for setting up sons in business or otherwise promoting the fancied interests of favored persons are enthusiastically embraced and eloquently argued by mothers and other members of the family. Equally wonderful is the ingenuity that is frequently shown in devising measures for breaking down the restraints that are imposed by a will. Any individual who as trustee opposes these vicious and injurious designs, and who resolutely insists upon strictly carrying out the testator's intentions, is sure to become exceedingly unpopular and soon comes to be rated as a very mean man. Fortunate, indeed, is his fate if he escapes the suspicion or charge of sinister motive.

Few men will long endure a bombardment of this sort, and the conflict is frequently terminated by the resignation of the trustee, which leaves the way open to the appointment of some one more pliable in temperament, whose yielding often leads to the total perversion of the trust and not seldom to the loss of the entire fund.

Trust companies, while not exempt from assaults of this character, are in fact more seldom approached, and when approached the advances are made in different temper. The absence of that degree of familiarity which usually obtains in the case of an individual trustee makes all approach hesitating, and the absence of any ground for expecting sympathy paves the way for a probable refusal and makes the acceptance of the refusal easier. It is always felt that the officer of the company first approached is of limited authority, and when he takes recourse behind the governing board, not only is his action approved, but the decision of the final board when communicated is likely to be acquiesced, in.

The value of this immunity from the effects of personal influence and familiar association and of the deference generally accorded to a corporation is difficult to estimate, but that it is a very great protection to dependents, both against their own imaginations and also against the effect of designing blandishments, is appreciated by all those who have come in contact with this aspect of human nature.

We have now somewhat hastily discussed some of the principal advantages which recommend the appointment of trust companies as trustees under wills in preference to individuals. If the occasion permitted it, we might cite still other features of advantage, but this paper is already so extensive that a reasonable regard for your patience commands a halt.

Before concluding, however, let it be said that this recital of the advantages of a corporate agent over an individual trustee is not designed as an indictment of individual trustees, broadly and as a class, either for ignorance, incapacity, want of loyalty or lack of integrity. No such contention is made, but it is contended that trust companies command all the excellent qualities of men in at least equal measure with individuals, and that added to these individual excellences are positive advantages referable to their corporate organization and discipline which individuals do not possess and cannot possibly acquire.

A trust company is, in fact, an organization which reduces to a systematic science the business of managing trusts, and out of this reduction flows and inevitably must follow the same superiority over individual effort that we find invariably to exist in every other field of human labor where individuals engage against corporations.

INVESTMENT OF TRUST FUNDS BY TRUST COMPANIES.—BY FREDERICK VIERLING, TRUST OFFICER MISSISSIPPI VALLEY TRUST COMPANY, ST. LOUIS, MO.

A trust company has no duties more important and more exacting than those incident to the proper investment of trust funds. The company stands as an institution which makes a profession of managing estates. It invites the public to believe that it has superior facilities for finding investments, for acquainting itself with the facts underlying them, for judging of their value, for keeping constantly advised as to changes that affect them, for maintaining custody of them, for keeping proper records concerning them, and, when occasion requires, for disposing of them. That trust companies have become recognized as the most effective agency in the management of trust funds is attested by their strength and growth in every large city in America. Official records in Pennsylvania show that trust funds in charge of trust companies in Philadelphia alone exceed in value three hundred and fifty million dollars.

LAWS GOVERNING INVESTMENTS.

The laws relating to the investment of trust funds are set out elaborately in the various text-books. They call for the exercise of intelligence, diligence, prudence and good faith. It may be interesting to re-state some of the leading general principles, as they are the articles of faith of every conscientious officer of a trust company.

The first duty of the company is to reduce the property of the trust to possession; after that to examine the security of investments received. It must take such steps as a prudent person would in his own behalf. The trustee should promptly invest trust funds as received, so as to earn a reasonable income. Where investments are made upon real estate security the trustee must exercise high diligence in ascertaining the value, situation, title, condition and productiveness of the security.

The trustee gets its authority to make investments either from the general laws governing trustees, from the instrument creating the trust, or from the statute. If the instrument indicates the time, manner and kind of investments, the trustee must strictly follow the directions given. When the directions are so general that they do not point out any particular classes of investments, then the trustee must invest in securities that will be approved by courts. If a mistake is made by reason of ignorance of the law, it is not excused; and if the mistake is made, even in good faith, by reason of wrong information or otherwise, the burden is upon the trustee to show diligence and prudence. The trustee has no right to invest in speculative securities. If it makes an investment not authorized, it must account to the estate for all profit arising therefrom and in the event of loss must bear the loss itself.

The foregoing general rules are also applicable where a trust company acts as guardian or curator of the estate of a minor or conservator of the estate of a person of unsound mind; with the exception, however, that the trust company must in most States make investments that are indicated by statutes, which the law as to guardians rather closely restricts, and the company has not the same extensive powers and discretion. In many States the guardian has no right to invest without order of court, and in most States investments must be approved by the courts, even where authorized to be made without order. There is little, if any, difference between the laws governing investments by guardians of minors and those governing investments for persons of unsound mind.

Guardians and trustees are held to a stricter account in relation to making prompt investments than executors and administrators, for trustees and guardians generally take an estate ready to be invested; whereas executors and administrators take charge of estates of decedents without knowing what the liabilities may be or what encumbrances must be lifted, and therefore may not be able to determine promptly what if any money will be available for investment. In the course of time the administrator will be in a position to know what money will not shortly be needed for payment of debts, expenses or legacies, and he should then apply to the court for authority to invest such surplus.

In some of the States statutory provisions regarding investments are made. and, even in the absence of such provision, it is the duty of an administrator having funds which are payable after the expiration of some considerable time to make them productive by investing on safe security. Administrators should not invest funds in lands, as from the nature of the trust the assets will in time be needed for payment of debts or for distribution, and as land is not as readily convertible as loans or bonds, it would be bad policy to so tie up the funds in lands that they could not be recalled without delay and loss.

KINDS OF INVESTMENTS PERMITTED.

In what class or classes of securities are trustees, guardians and administrators permitted to invest ? In many of the States the courts upon application are authorized to direct fiduciaries, but no special classes of investments are pointed out, and in these States it depends largely upon the policies of the courts as to what investments are proper; again in other States there are no special statutes providing for applications to courts for advice regarding investments.

It has been held that Government bonds and real estate securities are the only safe investments recognized by courts, and in those States where no special provision for investments are made and the courts there have not indicated a different policy, it is well to bear this rule in mind.

In some States the law defines what investments may be made by a guardian, but does not direct what investments may be made by an administrator or trustee, or *vice versa*, yet in such case the policy of the Legislature as to the class of investments is plain, and it will be safe to assume that investments authorized for one class of fiduciaries will be approved when made by another.

A rule of universal application as to investments is that trustees are not authorized to invest trust funds on personal security, except in minor instances where the fund is small, when the investment on personal security is permitted by special statute. Lord Kenyon said: " No rule was better established than that a trustee could not lend on mere personal security, and it ought to be rung in the ears of every one who acted in the character of trustee." The power to invest on personal security will be construed strictly and the trustee will not be justified in exceeding the terms of his authority.

A trustee has no right to employ trust funds in trade or speculation, or in a manufacturing establishment.

It is also unquestionably clear that a trustee has no power permanently to convert the nature of trust property by laying out the money in the purchase of real estate, except where special authority for so doing is conferred by the instrument of trust or by statute, and then the trustee should take the title in trust and not in its own name merely. Even when authorized to lay out trust money in the purchase of real estate, it has no right to go beyond the limits of the State within which such purchase is specially permitted, for if it go to a foreign State it places the property beyond the jurisdiction of the courts having control over the trustee.

The latest general revisions of the statutes of the several States show the prevailing American policies as to the kinds of investments authorized for a trustee, guardian or administrator, to be as follows, to wit:

For trustees the statutes in four States (1) permit investments in loans on collateral; in four, (2) land; in eight, (3) real estate mortgages; in ten, (4) United States bonds; in eleven, (5) State bonds; in six, (6) municipal bonds of the State; in one, (7) bonds of foreign States; in one, (8) municipal bonds of foreign States; in three, (9) bank stocks, and in eleven, (10) discretionary investments.

For guardians, the statutes permit investments in three States (11) on personal security; in three, (12) on collateral; in twenty-one, (13) land; in eighteen, (14) real estate mortgages; in seventeen, (15) United States bonds; in nineteen, (16) State bonds; in eleven, (17) municipal bonds; in three, (18) bonds of foreign States; in three, (19) municipal bonds of foreign States; in six, (20) bank stocks; and in thirty-one, (21) discretionary investments.

For administrators the statutes permit investments in three States (22) on collateral; in two, (23) land; in seven, (24) real estate mortgages; in thirteen, (25) United States bonds; in thirteen, (26) State bonds; in five, (27) municipal bonds; in one, (28) bonds of foreign States; in one, (29) municipal bonds of foreign States; in three, (30) bank stocks; and in eleven, (31) discretionary investments.

[The figures in parenthesis refer to corresponding figure in foot-note at margin of page.]

Note.—1—Colo., Ky., N. Y., Ohio. 2—Ga., Me., Pa., Vt. 3—Conn., Ind., Iowa, Ky., N. H., N. J., N. Y., Pa. 4—Ala., Colo., Conn., Iowa, N. H., N. Y., N. C., Ohio, Pa., Tenn. 5—Ala., Colo., Conn., Ga., Iowa, N. H., N. J., N. Y., N. C., Ohio, Pa. 6—Conn., Ga., N. H., N. J., N. Y., Pa. 7—Conn. 8—Conn. 9—Conn., Fla., Mass. 10—Cal., Ky., Me., Mont., N. J., N. Dak., R. I., S. Dak., Vt., Va., W. Va. 11—Ala., Ill., Mo. 12—Colo., Ky., Ohio. 13—Ala., Cal., Ga., Idaho, Me., Mich., Minn., Mont., Neb., Nev., N. Dak., Ohio, Oregon, Pa., R. I., S. Dak., Tex., Utah, Vt., Wis., Okla. 14—Ala., Ark., Colo., Conn., Fla., Ill., Iowa, Ky., La., Md., Minn., Mo., N. H., N. J., Ohio, Pa., R. I., Tex. 15—Ark., Colo., Conn., Del., Fla., Ill., Iowa, Minn., Miss., Mo., N. H., N. C., Ohio, Pa., R. I., Tenn., Tex. 16—Colo., Conn., Del., Fla., Ga., Ill., Iowa, La., Minn., Miss., Mo., N. H., N. J., N. C., Ohio, Pa., R. I., Tenn., Tex. 17—Conn., Ga., Ill., Minn., Miss., N. H., N. J., N. Y., Ohio, Pa., R. I. 18—Conn., Ill., Ohio. 19—Conn., Ill., Ohio. 20—Conn., Fla., Md., Mass., Ohio, R. I. 21—Ala., Ariz., Cal., Del., D. C., Fla., Idaho, Ill., Ind., Iowa, Kan., Ky., Me., Mich., Miss., Mont., Neb., Nev., N. J., N. M., N. Dak., Okla., Oregon, S. C., S. Dak., Utah, Va., Wash., W. Va., Wis., Wyo. 22—Colo., Ky., Ohio. 23—Ga., Pa. 24—Conn., Del., Fla., Iowa, Ky., N. J., Pa. 25—Ariz., Cal., Colo., Conn., Del., Fla., Iowa, N. C., Ohio, Pa., S. Dak., Tenn., Utah. 26—Ariz., Cal., Colo., Conn., Del., Fla., Ga., Iowa, N. J., N. Y., N. C., Ohio, Pa. 27—Conn., Ga., N. J., N. Y., Pa. 28—Conn. 29—Conn. 30—Conn., Fla., Mass. 31—Ark., D. C., Ky., Md., Mich., Mo., N. J., Utah, Va., W. Va., Wyo.

The laws relating to investments of trust funds being the same for the trust company as for the individual, it is interesting to inquire into the advantages that have led to the great popularity of the corporate agency.

It being a matter of public knowledge that the trust company has under its control large amounts of trust funds, has a great aggregate of time and inactive deposits against which it must carry investments, and has many customers for whom it makes investments, those having investments to offer are naturally attracted to the company. Having a convenient place of business, usually in the financial center where securities are dealt in, having a staff of officers, some one of whom is always accessible and ready for business during business hours, the company has offered to it large lines of investments from which it can choose.

In all large issues of bonds, one of the purposes of dividing the debt into bonds is to facilitate scattering the bonds among many holders. Recognizing that it is impracticable for each of these small holders to incur the expense of an independent investigation into the regularity of the issue and the character of the security, it is now the custom for those who issue the bonds, or those who will have them for sale, to have the trust company select some disinterested expert who will investigate and make to it a report that can be used by all investors. In the issue of bonds following, the trust company is usually the trustee, and stands in a position where it is its duty to protect the interests of the bondholders. This practice gives the trust company the earliest and most reliable information as to investments, with unsurpassed opportunities for comparing the merits of the securities and for securing control of the most desirable ones on the most favorable terms. Representing the bondholders in so many cases, and having the interest and principal of many issues of municipal and other bonds payable at its office, it becomes acquainted with the holders of bonds, and from time to time knows where certain securities can be found when it requires investments for its trust funds. Having always a large line of securities among its own investments, it is in position to make speedy investments; but if the trust company sells its own securities to one of the trusts in its charge, it should remember that it is held to a much stricter accountability as to the merits of the security than if it had been bought from some one outside. In effect, the company stands almost as guaranteeing all such securities.

Having in its charge extensive trust investments, from time to time, the affairs of some estate require that some of its investments be sold. The trust company is in position to buy them for some other estate, and thereby save a brokerage for both estates.

With these advantages, the high aim to which a properly managed trust company should work, is to never let a trust fund that ought to be invested go over night without interest. The aggregate of trust funds on hand, invested and uninvested, should be shown in a daily statement, and a statement of the uninvested funds subject to be invested should be daily before the trust officer of the company. If any one's funds are to be without interest, let it be the trust company's, not the trust estate's. This, of course, does not apply to certain classes of uninvested funds that are not subject to investment: for example, those soon to be distributed in administrations; those needed for early payment of debt; those awaiting special investment.

TRUST COMPANIES POSSESS EXPERT KNOWLEDGE OF INVESTMENT SECURITIES.

The company also has exceptional facilities for acquainting itself with the facts underlying securities. It is not only in its relation as trustee and as making investigations through experts that the company has exceptional facilities for becoming informed as to the facts about different securities. Every well-managed trust company has all its investments passed on by its board of directors, or an executive or investment committee, which is composed of leading business men who have earned success in their several lines. They are men of affairs, familiar with conditions about them, and to whom all reasonable avenues of investigation are open. It is the business of this board or committee to meet regularly and pass on the investments offered. Its members discuss these investments and have reports on them from officers and others connected with the company. From the varied and frequent dealings in the different and changing classes of securities, this committee becomes acquainted, not only with the legal requirements of an investment, but also with the divers elements that affect their value. The members of this committee are not only in position to properly discriminate between investments and reduce the chance of loss to a minimum, but in their daily contact with affairs in the city they get generally the latest information that will affect the value of any of the securities held by the company. Moreover, the company being in daily touch with the brokers and bond-buyers, and being known to be interested in various investments, there is usually brought to its notice in some way as soon as it becomes known on the street every matter of investment news. Bonds are often called for redemption before maturity. The trust company usually gets such information regularly and promptly, but an individual not in investment circles learns of the call perhaps only by accident, or not until he is surprised to find that he cannot collect the next coupon. This may be not only a serious inconvenience to those dependent on the income, but an embarrassment to the individual trustee.

TRUST COMPANIES AS CUSTODIANS OF TRUST FUNDS.

The same advantages a trust company has in the purchase of investments apply when disposition of the investment is to be made.

The responsibility of the trustee does not end when the investment is made. The security should have a safe place for its custody, should be properly designated as a trust fund, and should not be mixed with the trustee's personal assets. The trust company provides a burglar-proof safe in which to keep its trust securities. It has a rigid system of separating every item of trust assets from its general assets, and those of each estate from those of every other estate; it ear-marks the different investments so that they will be always readily identified as the assets of a particular trust. It thus affords certain protection against loss to the estate in event the individual affairs of the company should become involved. In such an event it would be necessary merely to go to the trust safe and take out and deliver to the company's successor as trustee the assets already therein identified as the property of the particular trust.

The individual trustee, as a rule, not having charge of enough trust funds to make a business of handling them, may not have separate safes for its own investments and for those of the few trusts in his charge; he is more likely to keep all securities in his posession together, and may not be so careful to properly ear-mark them. In the event of his death, resignation or removal, his legal representatives might find difficulty in determining to which trust the divers securities belonged.

Besides separating and ear-marking the trust securities, the company keeps registers and books of maturity, thus having a complete record of all assets and insuring the prompt demand for payment of the interest and principal when due. It employs competent men, who are familiar with the law of negotiable instruments, and who take every precaution to see that what is to be done is done at the right time. The proper keeping of securities being part of the regular business of the company and not a mere incident to be attended to at odd times, it adopts safeguards to protect the securities against the chance of being misplaced or lost. The usual method is to require two officers to be present at the opening of the trust safe, to permit securities to be taken therefrom only on requisitions serially numbered, a description of the desired security being written therein in ink, and to require the custodian of the vault, at the close of each day's business, to check up the requisitions for that day and see that the securities are either returned to the vault or that an entry is made on the proper books showing what disposition has been made of them. These requisitions should be kept in proper series for reference.

An added safety to the care of securities is the fact that the company is examined a number of times during the year by a committee appointed by its directors or officers and by State officials. Thus a proper check is maintained and all securities periodically examined. This is not done where an individual is trustee.

Securities are necessarily fluctuating in value, and the facilities possessed by a trust company for making investments again come into play when considering what should be done to prevent loss. If investments are prudently made and vigilance employed thereafter, no loss should occur to principal or interest. The more experienced one is as to investments, the more he realiezs that few of them are absolutely safe. He of inexperience, or he that is warped by personal interest, readily gives assurances that the investment he offers is "gilt-edged." An experienced investment broker recently said to me: "In my younger days I did not hesitate to recommend to my friends an investment if I believed it to be A1, but now I must confess that when my customers ask my advice I cannot take that positive stand. The investor cannot without risk of loss select any kind of security and put it away and go to sleep. The only way to avoid loss is to be always alert and ready to act promptly. 'Eternal vigilance' is not only the price of liberty, but as well the price of safety in investments."

Such are the advantages of a trust company in the investment of trust funds; but these are accentuated when they are held by an institution that possesses the other varied benefits of a corporate agency. As has been well summarized, "The ideal executor, administrator, guardian, curator, trustee and receiver must be always well and at home; must never run away and never steal; must have no exemptions; must have life everlasting; must be rich and stay rich; must have no partialities; must be subject to no political influences; must make no mistakes; must never forget; must do what it is told to do first, last and all the time; must keep a complete record of what it does; must make only reasonable charges, and must have the learning, the experience, the discretion, not only of one man, but of a number of the most successful men in the community. Such is the trust company."

The following officers were elected for the ersuing year:

Chairman, Breckinridge Jones, Mississippi Valley Trust Co., St. Louis, Mo.; Vice-Chairman, Otto Bannard, Continental Trust Co., New York; Chairman Executive Committee, Anton G. Hodenpyl, Michigan Trust Co., Grand Rapids; Secretary, Arthur Heurtley, Northern Trust Co., Chicago; members Executive Committee, to serve for three years, Otto Bannard, Continental Trust Co., New York; Frank R. Gibson, International Trust Co., Denver; Arthur Heurtley, Northern Trust Co., Chicago; to serve one year, in place of Breckinridge Jones, resigned, John H. Holliday, Union Trust Co., Indianapolis.

LIST OF DELEGATES AND OTHERS ATTENDING THE CONVENTION.

ALABAMA.

J. W. Whiting, People's Bank, Mobile.
William H. Leinkauf, Leinkauf & Son, Mobile.

ARKANSAS.

W. Y. Foster, Hempstead Co. Bank, Hope.
W. H. Langford, Citizens' Bank, Pine Bluffs.
L. C. White, People's Exchange Bank, Russellville.
E. W. Rucher, Bank of Atkins, Atkins.
John W. White, People's Exchange Bank, Russellville.
F. H. Head, Merchants and Planters' Bank, Pine Bluffs.
J. L. Reid, Parker, Ewing & Co., Little Rock.
John Fletcher, German National Bank, Little Rock.

CALIFORNIA.

William B. Wightman, National Bank Examiner, San Francisco.

COLORADO.

H. K. Holloway, Trinidad National Bank, Trinidad.
William L. Bush, First National Bank, Idaho Springs.
J. A. Hayes, First National Bank, Colorado Springs.
T. G. Lyster, State Bank of Aspen, Aspen.
F. H. Stickney, Farmers' National Bank, Longmont.
W. E. Wheeler, Bank of Telluride, Telluride.
F. C. Avery, First Nat. Bank, Fort Collins.
James H. Peabody, First National Bank, Canon City.
J. R. McKinnie, Exchange National Bank, Colorado Springs.
A. G. Sharp, Exchange National Bank, Colorado Springs.
Irving Howbert, First Nat. Bank, Colorado Springs.
J. W. Rubey, Woods & Rubey, Golden.
A. M. Wrench, First Nat. Bank, Telluride.
J. H. Robin, Bank of Silverton, Silverton.
M. Z. Farwell, La Junta State Bank, La Junta.
W. G. Brown, Western Bank, Denver.

CONNECTICUT.

A. H. Dayton, Naugatuck National Bank, Naugatuck.
A. G. Loomis, Aetna Nat. Bank, Hartford.
F. D. Hallett, First National Bank, Winsted.
Charles F. Mitchell, Manufacturers' National Bank, Waterbury.
A. Weil, First National Bank, New Haven.
George A. Lewis, Naugatuck National Bank, Naugatuck.

FLORIDA.

John T. Dismukes, First National Bank, St. Augustine.

GEORGIA.

William S. Witham, Georgia Bankers' Association, Atlanta.
C. J. Hood, Northeastern Banking Company, Harmony Grove.
Robert J. Lowry, Lowry Banking Company, Atlanta.
M. B. Lane, Citizens' Bank, Savannah.
William J. Davis, Lowry Banking Company, Atlanta.
James T. Anderson, Marietta Trust and Banking Company, Marietta.
L. P. Hillyer, American Nat. Bank, Macon.
J. S. Davis, First National Bank, Albany.

ILLINOIS.

C. S. Castle, Austin State Bank, Austin.
John Farson, Farson, Leach & Co., Chicago.
L. M. Dougherty, N. W. Harris & Co., Chicago.
P. T. Chapman, First National Bank, Vienna.
B. H. Ferguson, Springfield Marine Bank, Springfield.
John S. Little, Bank of Rushville, Rushville.
M. H. Greenebaum, M. H. Greenebaum & Co. Pontiac.
Frank W. Tracy, First Nat. Bank, Springfield.
John L. Hamilton, Hamilton & Cunningham, Hoopeston.
Richard T. Higgins, Farmers and Merchants' Bank, Vandalia.
J. F. Robinson, Rock Island National Bank, Rock Island.
F. B. Stitt, First National Bank, El Paso.
J. Richard Robertson, Jacksonville National Bank, Jacksonville.
J. T. Robertson, Farmers' National Bank, Virginia.
J. L. Burkhalter, Farmers and Mechanics' Bank, Galesburg.
H. C. Thompson, Farmers' State Bank, Mason City.
George F. Orde, Northern Trust Company Bank, Chicago.
James P. Hankey, Corn Exchange National Bank, Chicago.
J. C. Eisenmayer, Trenton Bank, Trenton.
Edward D. Keys, Farmers' National Bank, Springfield.
W. Z. Barnett, "Banking and Mercantile World," Chicago.
H. C. Armstrong, National Bank of Decatur, Decatur.
J. D. Waterman, Forest City National Bank, Rockford.
O. B. Gorin, Millikin Nat. Bank, Decatur.
William T. Robertson, Winnebago National Bank, Rockford.
Arthur Heurtley, Northern Trust Co., Chic.
Edwin A. Potter, American Trust and Savings Bank, Chicago.

Joseph Talbert, Commercial National Bank, Chicago.
August Blum, Union National Bank, Chicago.
Oren E. Taft, Pearsons-Taft Land Credit Company, Chicago.
George M. Reynolds, Continental National Bank, Chicago.
R. D. Lawrence, State Nat. Bank, Springfield.
Frank Hoblit, First National Bank, Lincoln.
G. D. Boulton, First National Bank, Chicago.
J. S. Miles, First Nat. Bank, Mount Carroll.
W. L. Moyer, American Trust and Savings Bank, Chicago.
A. A. Goodell, Goodell & Sons Co., Loda.
Harry Lukins, Streator Nat. Bank, Streator.
E. A. Hall, Sangamon Loan and Trust Company, Springfield.
J. G. Vivion, Second Nat. Bank, Galesburg.
W. Kaspar, Kaspar & Karel, Chicago.
Frank P. Judson, Bankers National Bank, Chicago.
George R. Lee, Citizens' Bank, Watseka.
Homer W. McCoy, Merchants' National Bank, Peoria.

INDIANA.

S. A. Morrison, Fletcher National Bank, Indianapolis.
G. Hustheiner, Tell City Bank, Tell City.
A. G. Lupton, Blackford County Bank, Hartford City.
C. T. Lindsey, Citizens' National Bank, South Bend.
Alex. R. Holliday, Capital National Bank, Indianapolis.
John H. Holliday, Union Trust Co., Indianapolis.
Edward L. McKee, Indiana National Bank, Indianapolis.
William G. Irwin, Irwin's Bank, Columbus.
William L. Barker, People's Bank, Boonville.
Hattie E. Eibel, St. Joseph County Savings Bank, South Bend.
Mrs. C. C. Matthews, South Bend National Bank, South Bend.
H. C. Callaway, Citizens' Exchange Bank, Elwood.
James H. Dehority, First Nat. Bank, Elwood.

IOWA.

Charles Weitz, Valley Sav. Bank, Des Moines.
Thomas F. Stevenson, Central State Bank, Des Moines.
H. D. McConn, German-American Bank, Fort Madison.
G. D. Ellyson, Marquardt Savings Bank, Des Moines.
J. A. Bradley, First Nat. Bank, Centreville.
L. F. Potter, Citizens' State Bank, Oakland.
John M. Lane, First Nat. Bank, Audubon.
Charles R. Hannan, Citizens' State Bank, Council Bluffs.
Charles F. Snider, Henry County Savings Bank, Mount Pleasant.
A. E. Spalding, Ainsworth Savings Bank, Ainsworth.
C. O. Harrington, Farmers' National Bank, Vinton.
E. A. Wiercham, Anamosa National Bank, Anamosa.
S. F. Prouty, Bankers' Iowa State Bank, Des Moines.
R. A. Crawford, Valley National Bank, Des Moines.
William M. Lamb, Joseph V. Hinchman Bank, Glenwood.
L. W. Brooks, Bank of Hedrick, Hedrick.
J. T. Brooks, Bank of Hedrick, Hedrick.
George E. Pearsall, Citizens' National Bank, Des Moines.
Emmons Johnson, Leavitt & Johnson National Bank, Waterloo,
Emmet Finley, Crawford Co. Bank, Denison.
J. M. Dinwiddie, Cedar Rapids Savings Bank, Cedar Rapids.
R. Van Vechten, Cedar Rapids National Bank, Cedar Rapids.
J. H. Ingwersen, People's Trust and Savings Bank, Clinton.
C. B. Mills, State Security Bank, Sioux Rapids.
J. T. Hackworth, Ottumwa National Bank, Ottumwa.
L. J. Wells, German Sav. Bank, Des Moines.
E. A. Howard, Iowa State Savings Bank, Fairfield.
T. W. Barhydt, Merchants' National Bank, Burlington.
Alex. E. Johnstone, Keokuk Savings Bank, Keokuk.
Frank Dunning, Citizens' Bank, Bedford.
Quint, A. N., State Bank of Scranton, Scranton.
George G. Hunter, Manager "Northwestern Banker," Des Moines.
E. D. Huxford, Cherokee State Bank, Cherokee.
T. J. Van Hon, First National Bank, Mount Pleasant.
C. H. Martin, People's Savings Bank, Des Moines.
H. H. Allison, First National Bank, Sac City.
S. J. Patterson, Dunlap Bank, Dunlap.
W. P. Manley, Security Nat. Bank, Sioux City.
Fred Heinz, Farmers and Mechanics' Savings Bank, Davenport.

KANSAS.

L. S. Naftzger, Fourth Nat. Bank, Wichita.
Calvin Hood, Emporia Nat. Bank, Emporia.
Robert H. Hazlitt, Farmers and Merchants' National Bank, Eldorado.
J. M. Morley, Bank of Severance, Severance.
L. L. Marcell, Bank of Highland, Highland.
P. I. Bonebrake, Central Nat. Bank, Topeka.
James Lorton, Winfield Nat. Bank, Winfield.
George W, Robinson, First National Bank, Winfield.
C. Q. Chandler, Citizens' State Bank, Medicine Lodge.
A. Dobson, Bank of Ottawa, Ottawa.
John R. Mulvane, Bank of Topeka, Topeka.
E. N. Morrill, Morrill & Janes Bank, Hiawatha

F. W. Pollman, Jr., Linn Co. Bank, La Cygne.
W. R. Guild, State Bank, Bern.
Kenneth L. Browne, Merchants' Bank, Kansas City.
E. L. Meyer, First Nat. Bank, Hutchinson.
L. A. Sharrard, State Bank of Meriden, Meriden.
S. W. Pierce, Central National Bank, Junction City.
John A. Swenson, First Nat. Bank, Lindsborg.
J. W. Berryman, Elk City Bank, Elk City.
John B. Olinger, First State Bank, Newton.
W. E. Hazen, Watkins Nat. Bank, Lawrence.
F. M. Wilson, First National Bank, Horton.
C. G. Eno, First National Bank, Osborn.
C. M. Sawyer, First National Bank, Norton.
John T. Stewart, Wellington National Bank, Wellington.

KENTUCKY.

Clint C. McClarty, First National Bank, Louisville.
Fayette Hewitt, State Nat. Bank, Frankfort.
Thomas W. Long, First National Bank, Hopkinsville.
R. H. Soaper, Henderson National Bank, Henderson.
Charles E. Dallam, Henderson National Bank, Henderson.
Monte J. Goble, Big Sandy National Bank, Catlettsburg.
S. H. Thompson, Ohio Valley Banking and Trust Company, Henderson.
W. H. Owen, Owensboro Savings Bank, Owensboro.
Theo. P. Watkins, First National Bank, Owensboro.

LOUISIANA.

E. G. Robichaux, Bank of Thibodaux, Thibodaux.
G. W. Bolton, Rapides Bank, Alexandria.
Isidore Newman, private banker, New Orleans.

MARYLAND.

Daniel Sloan, Lonaconing Savings Bank, Lonaconing.
D. Annan, Second Nat. Bank, Cumberland.
J. D. Wheeler, Drovers and Mechanics' National Bank, Baltimore.
Z. F. Williams, Merchants' National Bank, Baltimore.
Charles S. Lane, Eavey, Lane & Co., Hagerstown.
James R. Edmunds, National Bank of Commerce, Baltimore.

MASSACHUSETTS.

E. K. Abbott, Northampton National Bank, Northampton.
Harry L. Burrage, Third Nat. Bank, Boston.
E. F. Morris, Monson Nat. Bank, Monson.

MICHIGAN.

George E. Lawson, People's Savings Bank, Detroit.
Julius Haass, Home Savings Bank, Detroit.
Walter J. Hayes, Detroit River Savings Bank, Detroit.
A. G. Bishop, Genessee County Savings Bank, Flint.
F. W. Hayes, Preston Nat. Bank, Detroit.
Peter White, First Nat. Bank, Marquette.
Anton G. Hodenpyl, Michigan Trust Company, Grand Rapids.
George A. Steele, McLellan & Anderson Savings Bank, Detroit.
W. W. Hannan, Citizens' Savings Bank, Detroit.
F. N. Rowley, First Nat. Bank, Kalamazoo.
George H. Russel, State Savings Bank, Detroit.
M. O. Robinson, Commercial National Bank Saginaw.
Phineas Graves, First Nat. Bank, Albion.
H. R. Andrews, City Savings Bank, Detroit.
Clay H. Hollister, Old National Bank, Grand Rapids.
John T. Shaw, First National Bank, Detroit.

MINNESOTA.

L. R. Moyer, Chippewa County Bank, Montevideo.
G. G. Thorne, Northwestern National Bank, Minneapolis.
W. E. C. Ross, Chadbourn, Ross & Co., Blue Earth City.
A. C. Anderson, St. Paul Nat. Bank, St. Paul.
George C. Power, Merchants' National Bank, St. Paul.

MISSISSIPPI.

S. R. Hughes, First Nat. Bank, Vicksburg.
B. W. Griffith, First Nat. Bank, Vicksburg.
R. E. Wilburn, Bank of Lexington, Lexington.
W. J. Ferguson, Bank of Utica, Utica.
Samuel S. Carter, First Nat. Bank, Jackson.
Phil A. Rush, Tate County Bank, Senatobia.
J. C. Purnell, Citizens' Bank, Winona.
Clifton Sykes, First Nat. Bank, Aberdeen.
H. L. Bardwell, First Nat. Bank, Meridian.
James E. Negus, First Nat. Bank, Greenville.
J. H. Wright, Meridian Nat. Bank, Meridian.
John Kamper, First Nat. Bank, Meridian, Bank of Commerce, Hattiesville.
H. S. Hooker, Bank of Holmes County, Lexington.
A. G. Campbell, First Natchez Bank, Natchez.
A. J. Russell, Citizens' Savings Bank, Meridian.

MISSOURI.

E. F. Swinney, First Nat. Bank, Kansas City.
F. P. Neal, Union Nat. Bank, Kansas City.
A. S. Asbury, Jr., American Bank, Higginsville.
W. E. Fisse, Lincoln Trust Co., St. Louis.
J. G. Schneider, German-American Bank, St. Joseph.
J. B. Thomas, Bank of Albany, Albany.
G. W. Garrels, Franklin Bank, St. Louis.
N. Kirtley, Commercial Bank, Savannah.
J. S. Calfee, Citizens' Bank, Windsor.

W. S. Woods, National Bank of Commerce, Kansas City.
W. S. Wells, Wells Banking Company, Platte City.
D. R. Goucher, Carthage National Bank, Carthage.
Breckinridge Jones, Mississippi Valley Trust Company, St. Louis.
C. T. Clifford, Citizens' Bank, Clarksville.
Frank Vierling, Mississippi Valley Trust Company, St. Louis.
Gordon Jones, St. Joseph Stock Yards Bank, South St. Joseph.
John F. Robertson, First National Bank, Grant City.
L. M. Brown, Bank of Jameson, Jameson.
E. D. Mann, Farmers' Ex. Bank, Gallatin.
E. E. Dunaway, Farmers' Bank, Boonville.
J. B. Thomas, Missouri Bankers' Association, Albany.
George E. Hoffman, Merchants'-Laclede National Bank, St. Louis.
W. E. Berger, Jefferson Bank, St. Louis.
Charles H. Moore, National Bank of Commerce, Kansas City.
G. W. Galbreath, Third Nat. Bank, St. Louis.
J. A. Chase, Mountain Grove Bank, Mountain Grove.
Walker Hill, American Ex. Bank, St. Louis.
J. P. Huston, Wood & Huston Bank, Marshall.

NEBRASKA.

Charles S. Miller, Farmers' State Bank, Fairmount.
F. M. Rublee, Bank of Com., Broken Bow.
Henry W. Yates, Nebraska Nat. Bank, Omaha.
M. Brugger, Columbus State Bank, Columbus.
W. L. Wilson, Nebraska City National Bank, Nebraska City.
F. W. Samuelson, First Nat. Bank, Humboldt.
W. Stull, Stull Bros., Omaha.
V. B. Caldwell, U. S. Nat. Bank, Omaha.
T. E. Stevens, Blair State Bank, Blair.
N. A. Rainbolt, Norfolk Nat. Bank, Norfolk.
A. E. Grantham, Dawson County National Bank, Lexington.
J. H. Evans, Nat. Bank of Commerce, Omaha.

NEW JERSEY.

Augustus L. Revere, First National Bank, Morristown.
George F. Kroehl, First National Bank, Asbury Park.
Rowland J. Dutton, Burlington Savings Institution, Burlington.

NEW MEXICO.

W. H. Byerts, Byerts' Bank, Socorro.
L. H. Brown, Bank of Deming, Deming.

NEW YORK.

Richard R. Hunter, Union Savings Bank, Mamaroneck,
Cornelius A. Pugsley, Westchester County National Bank, Peekskill.
Bradford Rhodes, Mamaroneck Bank, Mamaroneck.
William C. Cornell, City Bank, Buffalo.
J. F. Ellsworth, Queens County Bank, Long Island City.
W. H. Rainey, National Union Bank, Kinderkook.
Alvah Trowbridge, National Bank of North America, New York.
Joseph C. Hendrix, National Union Bank, New York.
E. W. Voorhees, New York Savings Bank, New York.
C. D. Steurer, publisher "American Banker," New York.
F. Howard Hooke, "The Financier," New York.
Norman H. Becker, Exchange National Bank, Seneca Falls.

NORTH CAROLINA.

James G, Brown, Citizens' National Bank, Raleigh.

OHIO.

E. M. Buel, Barberton Savings Bank, Barberton.
A. H. Johnson, Citizens' Nat. Bank, Oberlin.
R. McCurdy, First Nat. Bank, Youngstown.
William A. Graham, Citizens' Bank, Sidney.
C. E. Heiser, Second Nat. Bank, Hamilton.
H. E. Green, Cleveland Nat. Bank, Cleveland.
M. M. White, Fourth Nat. Bank, Cincinnati.
B. P. Scott, Citizens' National Bank, New Philadelphia.
G. M. McKelvey, Commercial National Bank, Youngstown.
Charles J. Wick, Wick National Bank, Youngstown.
W. H. Allen, Waynesville National Bank, Waynesville.
James B. Hoge, Lorain Savings and Banking Company, Loraine.
A. E. Adams, Dollar Savings and Trust Company, Youngstown.
E. H. Miller, Highland County Bank, Greenfield.
—, Langmadie, First National Bank, North Baltimore.
E. W. Savage, Marine Nat. Bank, Ashtabula.
W. C. Wachs, German National Bank, Cincinnati.
Jacob Babst, Babst Bkg. House, Crestline.
Edward R. McKee, First National Bank, Chillicothe.
W. P. Stamm, Equitable National Bank, Cincinnati.
Daniel Geiger, Western Reserve National Bank, Warren.
W. F. Smith, Dollar Sav. Bank, Painesville.
Harley Barnes, Geneva Sav. Bank Geneva.
Charles E. Niles, First Nat. Bank, Findlay.

OKLAHOMA.

C. L. Engle, Citizens' State Bank, El Reno.
J. H. Wheeler, Bank of Commerce, Oklahoma City.

John Grattan, Grant County Bank, Medford.
U. C. Guss, Bank of Ind. Territory, Guthrie.

PENNSYLVANIA.

Robert Wardrop, Tradesmens' Nat. Bank, Pittsburg.
E. C. Hoag, Commercial Bank, Titusville.
D. McK. Lloyd, People's Savings Bank Pittsburg.
Alfred G. Saeger, Lehigh Valley Trust and Safe Deposit Company, Allentown.
C. F. Schaefer, United States National Bank, Pittsburg.
W. R. Christian, Lincoln National Bank, Pittsburg.
E. R. Baldinger, Dollar Savings Fund and Trust Company, Allegheny.
W. S. Brown, Danville Nat. Bank, Danville.
E. T. Norton, First Nat. Bank, Connellsville.
John J. Foulkrod, Manayunk Nat. Bank, Philadelphia.
J. A. Amstrong, Second National Bank, Connellsville.
George Sheppard, Third Nat. Bank, Pittsburg.
C. S. Seamans, Dime Deposit and Discount Bank, Scranton.
C. M. W. Keck, Allentown National Bank, Allentown.
A. K. DeWitt, First Nat. Bank, Plymouth.
A. Hansl, Citizens' Nat. Bank, Pittsburg.
Charles R. Fenderick, Real Estate Savings, Pittsburg.
A. H. Patterson, Duquesne National Bank, Pittsburg.
Joseph A. Herron, Alexander & Co., Monongahela.
Edward H. Reninger, Lehigh Valley Trust Safe Deposit Company, Allentown.
C. A. Kunkel, Mechanics' Bank, Harrisburg.
James H. Willock, Second National Bank, Pittsburg.
Hartman Baker, Merchants' National Bank, Philadelphia.
Fred. W. Foerge, Iron and Glass Dollar Savings Bank, Pittsburg.
J. W. Hawley, First National Bank, Media.
T. P. Day, People's Nat. Bank, Pittsburg.
S. R. Shumaker, First National Bank, Huntingdon.
William Hackett, Easton Nat. Bank, Easton.
W. D. Van Horn, First Nat. Bank, Wellsboro.
B. J. Woodward, Tenth National Bank, Philadelphia.
T. Scattergood, Delaware County National Bank, Chester.
H. C. McEldowney, Pittsburg National Bank of Commerce, Pittsburg.
John W. Taylor, City Sav. Bank, Pittsburg.
W. Z. McLear, Fourth St. National Bank, Philadelphia.
Francis Weiss, Lehigh Valley National Bank, Bethlehem.
O. C. Burgdorf, German National Bank, Pittsburg.
J. B. Finley. People's Bank, Monongahela.
W. B. Meyers, First Nat. Bank, Bethlehem.
S. M. McElroy, Citizens' Nat. Pittsburg.

SOUTH DAKOTA.

G. F. Stebbins, Bank of Spearfish, Spearfish.
W. A. Mackay, Daly & Mackay, Madison.

TENNESSEE.

J. P. Edrington, State Nat. Bank, Memphis.
John W. Faxon, First National Bank, Chattanooga.
F. A. Patti, Bank of Winchester, Winchester.
Jesse L. Rogers, Holston National Bank, Knoxville.

TEXAS.

A. R. Hann, Exchange Nat. Bank, Denton.
M. Lasker, First National Bank, Galveston.
H. F. Moore, First National Bank, Crockett.
John R. Griffin, First National Bank, Itasca.
W. H. Rivers, Bank of Elgin, Elgin.
L. Simpson, Gainesville Nat. Bank Gainesville.
William Worsham, First Nat. Bank, Gainesville.
Charles F. Smith, First Nat. Bank, McGregor.
W. R. Wood, First National Bank, Paris.
J. Z. Miller, Hall & Co., Temple.
M. B. Loyd, First Nat. Bank, Fort Worth.
T. J. Groce, Galveston National Bank, Galveston.

UTAH.

George M. Cannon, Zion's Savings and Trust Company, Salt Lake City.
L. S. Hills, Deseret National Bank, Salt Lake City.

VIRGINIA.

Caldwell Hardy, Norfolk National Bank, Norfolk.
W. G. Elliott, Norfolk Bank for Savings and Trusts, Norfolk.
Alex. Hamilton, Petersburg Savings and Insurance Company, Petersburg.
Joseph C. Bryan, C. W. Branch & Co., Richmond.
Charles Elliott, Thomas Branch & Co., Richmond.
John P. Branch, Merchants' National Bank, Richmond.

WASHINGTON.

Edwin T. Coman, First Nat. Bank, Colfax.

WEST VIRGINIA.

L. S. Hornor, Traders' National Bank, Clarksburg.
J. E. Sands, First Nat. Bank, Fairmont.
B. B. Brown, Kanawaha Valley Bank, Charleston.
C. L. Brown, Bank of Ravenswood, Ravenswood.

WISCONSIN.

R. H. Hackett, Nat. Union Bank, Oshkosh.
W. D. Hollister, Citizens' Bank. Delavan.
S. M. Hay, National Bank of Oskosh, Oshkosh.
W. K. Coffin, Wisconsin Bankers' Association, Eau Claire.
Charles Brown, First Nat. Bank, Kenosha.
H. A. Frambach, First Nat. Bank, Kaukauna.
George H. Uty, First Nat. Bank, Kenosha.
Jack Ilsley, Marshall & Ilsley, Milwaukee.

WYOMING.

Harry B. Henderson, Bank of Newcastle, Newcastle.
George H. Goble, Rock Springs Nat. Bank, Rock Springs.
Henry G. Hay, Stock Growers' Nat. Bank, Cheyenne.
J. C. Davis, First National Bank, Rawlings.

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 North American Trust Company has established a branch office at Santiago de Cuba, and has been designated as fiscal agent of the Government at that place.

Mr. Samuel M. Jarvis, Vice-President of the company, who recently returned from Santiago, had the following to say in regard to the conditions prevailing there:

"Citizens are now opening their stores, and there is a general revival of business. Many of the United States soldiers were paid off before leaving the port for home, and many of them purchased relics and presents, and this put considerable of our money into circulation. In the vicinity of Santiago are iron mines, which will soon be in operation again. They employ from 2,000 to 5,000 persons. The country is generally agricultural, and as soon as the people can again raise crops a more stable feeling will prevail. The greatest sugar plantations on the island are within a short distance of Santiago and Guantanamo. There are coal deposits within nine miles of Santiago which have not been worked for some time.

With the advent of American money and enterprise and the establishment of a stable government, there will be excellent opportunities for investors on conservative lines. At present the heat and other climatic conditions are unfavorable to Americans. Between November 1 and March 1 is the most desirable time to visit the island. The climate is then comfortable."

—John Greenough, for many years a member of the Stock Exchange firm of Poor & Greenough, has retired from that firm and also from active business. C. E. Berner, who has been in the employ of the firm for a long time, has been admitted to general partnership.

—George M. Coffin, for many years Deputy Comptroller of the Currency, has resigned to accept the position of Vice-President of the Phenix National Bank.

Mr. Coffin has been in the Comptroller's office since 1886, when he was appointed by Comptroller Trenholm as teller. Comptroller Trenholm, recognizing his business ability and financial talent, after a few months' service promoted him to be chief of the issue division. In 1888 he was transferred to the head of the division of reports, including the supervision of examiners' reports.

Appointed as a Democrat, Mr. Coffin was the only chief of division retained by the Harrison Administration under Comptrollers Lacey and Hepburn, and he remained at the head of the reports' division until 1896, when, on recommendation of Comptroller Eckels, he was promoted to Deputy Comptroller, it being the first time in the history of the office that this important position was filled by promotion. His career as Deputy Comptroller has been especially successful and efficient. His judgment and advice have been followed in many an important action in connection with the management of affairs of the National banks of the country.

Mr. Coffin is the author of a number of works on financial questions and the affairs of National banks, among them "A Handbook for National Bank Officers," which has gone through several editions, and "Silver and Common Sense," a document written as an argument for the gold standard, and extensively used in the campaign of 1896.

The Phenix Bank was organized over eighty years ago as a State bank, and was converted into a National bank in 1866. It has a capital of $1,000,000, a surplus of $200,000, and is located at 49 Wall street.

The bank is to be congratulated in securing the services of a man of Mr. Coffin's ability and experience, and he is also fortunate in becoming associated with the management of a bank of such high standing.

—The receipts of the New York Post Office during August from all sources were $597,-981.94, as against $567,215.63 in the corresponding period last year, an increase of five and one-half per cent.

—A decision of interest to bankers was recently rendered by Internal Revenue Commissioner Scott. The Commissioner holds that bank checks drawn in this country on a foreign bank or banker, payable at sight or on demand, are subject to the same stamp tax as bank checks drawn in this country upon a domestic bank. In other words, such checks must bear a two-cent stamp. When the new law went into effect the National City Bank, under advice of counsel, issued checks upon balances to its credit with foreign bankers, offering only a two-cent revenue stamp. This was criticised, and the Collector held that such checks should be stamped as foreign bills of exchange, viz., at the rate of four cents per $100. The National City Bank thereafter stamped checks in accordance with this ruling, but asked a construction of the law from the Department at Washington. The decision of the Commissioner therefore sustains the bank.

—The Twelfth Ward Savings Bank at 231 West One Hundred and Twenty-fifth street, has changed its name to the Empire City Savings Bank. The change was made because of the confusion arising from the similarity of the old name to that of another bank on the same street.

—Benjamin Strong, Jr., has been appointed Assistant Secretary of the Atlantic Trust Co.

—Rudolph Kleybolte & Co. have removed to No. 1 Nassau St.

—Loomis L. White, who joined the Stock Exchange in 1856, has sold his seat to W. B. DeHaven.

—Max Jagerhuber, President of the "Textile America" Publishing Co., has been elected a director of the Mechanics and Traders' Bank.

—David H. Moffat, President of the First National Bank, Denver, Colo., returned to the city recently from a trip to Europe. Before beginning his trip, he was a guest of the Fifth Avenue Hotel, where the head waiter, who had known Mr. Moffat's father, remarked to him that he had long wished to visit Europe. Mr. Moffat promptly offered to pay the expenses of the journey and his salary for six weeks. The offer was accepted, and the millionaire bank President and the hotel waiter saw Europe together. Mr. Moffat began his business career as messenger in a New York bank at the age of fifteen. He is now one of the very wealthy men of the country.

NEW ENGLAND STATES.

Boston.—On August 25 Henry A. Tenney was promoted from the position of paying teller of the Globe National Bank to be Assistant Cashier. Mr. Tenney has been in the banking business all his life. Soon after leaving school he entered the Suffolk Bank, and later was for a time with what is now the Boston National Bank. He entered the Globe National Bank in January, 1865, and has been its paying teller until his appointment as Assistant Cashier.

MIDDLE STATES.

Enterprising New Yorkers.—J. B. Jones, of Wellsville, N. Y., Vice-President of the First National Bank of that place, and W. H. Crandall, President of the University Bank of Alfred, N. Y., and a director in several others, have made application to the Comptroller of the Currency at Washington, D. C., to establish the American National Bank at San Juan, Porto Rico, immediately after peace has been declared between this country and Spain.

Their application has been accepted. They have applied to make the capital stock of the amount of $500,000, and while the bank may not have this amount in capital stock at the outset, their charter gives them the privilege to increase when they see fit.

Pittsburg, Pa.—The Diamond National Bank will begin next spring the erection of a ten-story fire-proof building on its present site, to cost $125,000.

Two Veteran Bankers.—Joshua Pratt of the Sherburne (N. Y.) National Bank, who is still living and is President of the bank, though over eighty years old, has stood almost daily at the counter, until within a few months back. His service as President has been from its formation in 1865, previous to which he had done private banking business for some years.

John R. Van Wagenen, President of the First National Bank, Oxford, N. Y., has been in the service of that bank since its formation, first as Assistant Cashier, then as Cashier and for a number of years past as President. The bank was formed in 1864, and Mr. Van Wagenen passed his thirty-fourth anniversary in the service a short time ago.

Syracuse, N. Y.—The Commercial Bank removed on August 1 to its new quarters in the University Block.

The banking apartments are located on the northeast corner of the first floor of the building and may be reached by the elevators or by the elegant marble stairway extending from the entrance. The main banking room is very attractive in appearance. It contains 1,765 square feet of floor space and is lighten by eight windows, each 18 x 17½ feet.

The entrance to the bank is through a door at the top of the stairway, reaching a rotunda about eighteen feet in diameter. The floor is constructed of a beautiful mosaic marble, and all the furnishings are in perfect harmony. A short distance to the left of the entrance is a consulting room, equipped with everything necessary for comfort and convenience. Adjoining this, at the northwest corner of the apartments, is the President's room and next to it is the Cashier's room, both elegantly and comfortably furnished.

Four immense marble pillars extend from floor to ceiling in the lobby of the room, which is considered one of the finest in Central New York. The pillars, decorated with gold trimmings at the top, practically mark the dividing line between the lobby and the rest of the room. The desks are arranged around the northeast and south sides. The cages are furnished with elegant brass railings, giving the clerks ample protection. The wainscoating beneath the desks is marble, and all the woodwork in the room is mahogany.

The safes and vaults are of the strongest and most approved designs, and the entire equipment of the bank is modern and in keeping with the progressive management which characterizes the institution.

At present the Commercial Bank has a capital of $250,000. Its net undivided profits are $63,196.91, although for every year after the first two since its organization it has paid six per cent. dividends on its stock. Its total deposits by the last report are given as $742,962.01. It was organized in 1891, and first had its place of business in the Larned Block, where it remained until it moved into its new quarters.

The bank was organized by a number of business men and capitalists, and its stock is now held by about eighty different persons, including a number of the stockholders and officers of other local banks. It is a business men's bank. The late Henry J. Mowry was the first President. He was succeeded by Hendrick S. Holden, who was its first Vice-President. George M. Barnes, its first Secretary, was made Vice-President. Anthony Lamb has been its Cashier since its organization. Lewis D. Holmes is teller; S. Howard Fyler, individual bookkeeper; William H. Hemens, general bookkeeper; George A. Lamb, discount clerk; Alfred L. Wise, collection clerk; Edward Kaufman, messenger, and Miss M. Z. Kimball, stenographer.

Albany, N. Y.—The Merchants' National Bank expects shortly to occupy its new banking rooms now being prepared for it in the Tweddle Building. The new quarters will be modern in every respect, and will be designed to meet all the demands of comfort, convenience and security.

Bank Reduces Capital.—At a meeting of the shareholders of the First National Bank, of Carthage, N. Y., the capital stock was reduced from $100,000 to $50,000.

Philadelphia.—Control of the Citizens' Trust and Surety Co. has been secured by New York capitalists. It is reported that a new building will be erected, the capital increased, and several branches will be established.

—The capital of the Union Trust Co. has been reduced from $1,000,000 to $500,000, the par value of the shares being reduced to $50.

SOUTHERN STATES.

Bank Title Changed.—The Gregory-Heath Banking and Mercantile Co., of Lancaster, S. C., has changed its name to the Farmers' Banking and Mercantile Co.

Nashville Tenn.—N. P. Lesueur, formerly Assistant Cashier of the American National Bank, is now Cashier in place of the late A. W. Harris. Mr. Lesueur had worked himself up gradually through all the different positions, and is well qualified for the responsibilities of his present office.

—The directors of the Fourth National Bank propose to reduce the capital from $1,000,000 to $600,000. Stockholders are offered $120 for each share surrendered.

North Carolina Bankers' Association.—The second annual convention of this association met at Charlotte, August 10. James A. Bell made the address of welcome, which was responded to by Joseph G. Brown, President of the Citizens' National Bank, of Raleigh. Thomas H. Battle, President of the Bank of Rocky Mount, made his annual address as president of the association.

At the second day's session addresses were made by S. Wittowsky, of Charlotte, and W. A. Blair, of Winston. The following officers were elected and installed for the ensuing year: President, W. A. Blair, of Winston; first vice-president, Thomas W. Dewey, of Newberne; second vice-president, Joseph G. Brown, of Raleigh; third vice-president, George W. Montcastle, of Lexington; secretary and treasurer, John M. Miller, Jr., of Charlotte. Executive Committee—W. A. Blair, of Winston; W. A. Hunt, of Henderson; W. E. Borden, of Goldsboro; J. P. Sawyer, of Asheville; A. G. Brenizer, of Charlotte. Joseph G. Brown, of Raleigh, was elected a delegate to the American Bankers' Association.

In the afternoon the bankers were shown the city's cotton factories, cotton mills, and other points of interest. Of the 101 banks in North Carolina, thirty-three are members of the association.

Georgia Banking Laws.—Pursuant to a law passed by the last Legislature of Georgia, Governor Atkinson appointed a commission to revise the banking laws of the State. The commissioners are: Hon. Martin V. Calvin, of Richmond, from the House; Hon. Thomas Swift, of Elbert, from the House; Hon. Thomas B. Stewart, of Henry, from the Senate; Mr. W. S. Witham and Captain T. B. Neal, of Fulton, from the State at large.

While the banks of Georgia are now well managed, it is thought that the banking laws should be consolidated and perhaps amended.

New Orleans, La.—The building of the Whitney National Bank, of this city, presents about as compact and solid an example of bank architecture as one would wish to see. This outward sign of solidity is borne out by an examination of the report of the institution. Shortly after the bank was organized, in 1883, the deposits were $373,400; they are now about $4,600,000. In the last ten years the deposits have more than doubled. Its capital stock is $400,000, surplus, $925,000 and undivided profits, $38,000.

Mr. James T. Hayden, President of the bank, presented a paper at the recent convention of the American Bankers' Association, which will be found in full elsewhere in this number.

Richmond, Va.—The Merchants' National Bank, of this city, is one of the progressive banks of the South. Its growth may be realized by the increase in the surplus and profits from $107,700 in 1887 to $286,800 in 1897, and the increase in the deposits during the same period from $1,491,800 to $2,194,800. This bank directs the attention of its customers to the fact that currency may be shipped by insured registered mail at about one-half the rate charged by express companies.

WESTERN STATES.

Banks to Consolidate.—The Deposit Bank, of Owensboro, Ky., and the Owensboro National Bank have arranged to consolidate their business under the title of the National Deposit Bank of Owensboro. Their united assets will be about $1,700,000 and deposits about $1,000,000. It is expected that the capital will be from $300,000 to $350,000.

Expects to Reorganize.—Advices from the Farmers and Merchants' Bank, of Piedmont, Mo., which was reported closed in last month's MAGAZINE, state that the closing of the bank was voluntary, and that it is expected a reorganization will be effected in the near future.

Louisville, Ky.—The German Bank will probably extend its charter for thirty years and reduce the capital from $300,000 to $250,000. The stock sells at a premium of $107 above the par value, and the reduction is due to the legislation of Kentucky which is gradually driving banking capital into other lines of business.

Milwaukee, Wis.—On August 17 the Central National Bank, capital $300,000, consolidated its business with the Wisconsin National Bank, capital $1,000,000. Geo. G. Houghton, President of the Central National, becomes a director in the Wisconsin National, and Herman Wolf, Cashier of the former bank, becomes Assistant Cashier of the latter institution.

Bank Capital Reduced.—The First National Bank, of Mankato, Minn., will reduce its capital from $150,000 to $100,000.

Bank Reorganized.—The Winnebago City (Minn.) State Bank has changed owners and will be reorganized as a State bank with $25,000 capital.

Chicago, Ill.—Mr. John Farson, who returned recently from the convention of the American Bankers' Association at Denver, gave his impressions of his visit to the Chicago "Tribune." He said that, in his opinion, the silver sentiment in Colorado was not so strong as it was. This he attributed to the increase in the value of agricultural products and to the large output of gold in the State. With regard to the people of Colorado, he said: "I do not think there is a more loyal people in the United States, more interested in the general welfare of our country, and more in touch with the condition of the times, than are the people of this State."

Large Liabilities, Small Assets.—Rev. J. D. Knox, formerly a well-known banker, of Topeka, Kans., has gone into the bankruptcy court, asking relief from his debts, which aggregate over $500,000. His assets, within reach of creditors, do not exceed $50. The assets represent his equity in a couple of town lots on the outskirts of Topeka.

Michigan Bank Robbed.—The Union Bank, of Richland, Mich., was robbed of about $10,000 in cash and notes by burglars, August 4. The safe of the bank was completely wrecked.

Ex-Banker Acquitted.—After a trial lasting ten days in the United States court, the jury, fifteen minutes after taking the case, acquitted H. F. Salyards, ex-President, of the charge of wrecking the First National Bank at Minot, N. D., in 1896.

Iowa Banks Prosperous.—Recent statement of the condition of the State and Savings banks of Iowa show total deposits, $60,000,000—an increase of $14,000,000 in the past year.

PACIFIC SLOPE.

New Bank in Wyoming.—The Platte Valley Bank was recently incorporated at Saratoga, Wyoming, with $10,000 capital stock.

San Francisco.—Daniel Cole has succeeded A. T. Spotts as coiner at the San Francisco Mint. During the four years ended August 31 this mint coined $158,697,854, of which more than $125,000,000 was gold of Pacific coast production. The coinage for the month amounted to $8,160,000, breaking all previous records in the United States. September is expected to make a still better showing, as more gold from the Klondike and Australia is expected in the form of nuggets and sovereigns, which is to be converted rapidly into United States money.

—The Sixth Annual Convention of the California Bankers' Association was held in this city September 15, 16 and 17.

CANADA.

A New Trust Co.—Prominent Canadian capitalists are organizing the National Trust Company at Toronto, with $1,000,000 capital.

Montreal.—The Bank of Ottawa is to open a branch in this city. This is the third bank to open a branch in Montreal since the beginning of the present year.

Appointed Manager.—J. Siegel, late of the Hamburg Packet Co., Montreal, has been appointed Manager of the branch of the Union Bank of Canada at Gretna. Manitoba.

Failures, Suspensions and Liquidations.

Illinois.—The Bank of Waverly suspended on August 11 with liabilities estimated at from $100,000 to $200,000.

Kansas.—On August 8 the State Bank Commissioner was notified that owing to the difficulty of making profitable loans, the Eastern Cowley Banking Co., of Burden, and J. D. Harpster, of Willis, had gone into voluntary liquidation.

—The Kansas Loan and Trust Company, of Topeka, lately known as the Trust Company of America, failed September 2. The liabilities are estimated at $400,000, assets at $1,200,000. This is one of the oldest and largest loan companies in Kansas. Upon the application of John R. Mulvane, John Marion and W. H. Rossington, T. B. Sweet and G. H. Whitcomb were named Receivers.

—The Receiver of Thomas Kirby's Bank, of Abilene, reported on August 15 that he had enough funds on hand to pay a dividend of forty per cent. on claims amounting to $290,000. It is thought that depositors will finally receive about seventy-five per cent.

Maryland.—A dividend of fifty-two per cent. has been declared in favor of the creditors of the South Baltimore Bank.

Michigan.—Arrangements have been made to pay creditors of the Sault Ste. Marie National Bank, by assessment of stockholders and sale of the bank's assets.

—The State Bank Commissioner placed the State Bank of Midland in voluntary liquidation recently. Depositors have been secured.

Minnesota.—The Fillmore County Bank, at Preston, was recently wrecked by the Cashier, who confessed the theft of the bank's deposits. His defalcation is estimated at more than $100,000.

Mississippi.—The Bank of Rosedale closed August 12, and the Cashier is said to have disappeared, and his accounts are reported $8,000 short.

New Hampshire.—Receiver Fuller, of the National Granite State Bank, of Exeter, has declared a final dividend of 11 6-10 per cent. (making a total of 51 6-10 per cent.) to the depositors of that institution. The bank was wrecked by the embezzlement of Warren Putnam, ex-President of the institution, who is now in prison.

New York.—James H. Rand, of North Tonawanda, placed his banking business in liquidation August 16.

Wisconsin.—The Receiver of the Commercial Bank, Milwaukee, announces that he has funds ready to pay a twenty per cent. dividend to creditors.

Useful for Bankers.—The best advertisement for a banker is a good calendar. The Chicago Envelope Clasp Co. at Buchanan, Mich., is offering very fine ones, for one or two years, to bankers all over the United States at favorable rates. See their advertisement in another place.

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.

5132—Lincoln County National Bank, Stanford, Kentucky. Capital, $100,000.
5133—First National Bank, New Bloomfield, Pennsylvania. Capital, $50,000.
5134—National Union Bank, Rock Hill, South Carolina. Capital, $120,000.
5135—First National Bank, Traer, Iowa. Capital, $100,000.
5136—People's National Bank, Dover, New Jersey. Capital, $50,000.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

National Bank of Sydney, Iowa; by A. F. Metelman, *et al.*
Fannin County National Bank, Bonham, Texas; by J. W. Russell, *et al.*
First National Bank, Chickasha, Indian Territory; by J. H. Tuttle, *et al.*
City National Bank, Harrisburg, Illinois; by William M. Gregg, *et al.*

NEW BANKS, BANKERS, ETC.

ALABAMA.

Enterprise—J. E. & W. E. Henderson.

COLORADO.

Fairplay—Bank of Fairplay; (branch of the Bank of Alma); Pres., J. H. Singleton; Cas., A. A. Dollison.

FLORIDA.

Starke—Commercial Bank; capital $20,000; Cas., N. W. Hackett; Asst. Cas., J. W. Morgan.

GEORGIA.

Dublin—Laurens Banking Co.; capital, $25,000; Pres., H. H. Smith; Vice-Pres., T. W. Garbutt; Cas., F. H. Robertson.

Douglas—Bank of Douglas.

ILLINOIS.

Beason—Geo. A. Curry & Bros.

Chebanse—Chebanse Bank.

Dundee—Dundee Bank.

Medora—Citizens' Bank; capital, $10,000; Pres., James F. Still; Cas., C. W. Tietsort.

INDIANA.

Upland—Grant County Bank.

IOWA.

Callender—Bank of Callender; (successor to F. D. Calkins Banking and Lumber Co.); capital, $25,000; Pres., E. O. Fitz; Cas., I. F. Fitz.

Doon—Bank of Doon; capital, $10,000; Pres., Fred Becker.

Merrill—Bank of Merrill; Pres., Randolph Payne; Vice-Pres., W. W. Payne; Cas., W. J. Lawrence.

Swalesdale—Bank of Swalesdale (J. T. Jenkens).

Traer—First National Bank (successor to Brooks & Moore); capital. $100,000; Pres., James Wilson; Cas., R. H. Moore.

KANSAS.

Walnut—Walnut State Bank.

KENTUCKY.

Stanford—Lincoln County National Bank (successor to Farmers' Bank and Trust Co.); capital, $100,000; Pres., Samuel H. Shanks; Cas., J. B. Owsley; Asst. Cas., W. M. Bright.

MICHIGAN.

Belleville—Bank of Belleville; capital, $5,000; Cas., Harry S. German.

Harrisville—Alcona County Bank.

MINNESOTA.

Dodge Center—Dodge County Bank.

Lamberton—State Bank; capital, $25,000.

Silver Lake—Bank of Silver Lake.

Winnebago City—Winnebago City State Bank (successor to Winnebago City Bank); capital, $25,000; Pres. G. D. Eygabroad; Cas., N. C. Peterson; Asst. Cas., E. C. Moulton.

MISSISSIPPI.

Hattiesburg—State Banking and Trust Co.; capital, $100,000.

Jonestown—Bank of Jonestown; capital, $25,000.

MISSOURI.

Gibbs—Gibbs Savings Bank; capital, $10,000; Pres., Daniel Crawford; Cas., W. W. Weber.

Sheldon—Bank of Sheldon; capital, $10,000; Pres., I. W. Conkling; Cas., W. G. Jones.

MONTANA.

Twin Bridges—Bank of Twin Bridges; capital, $25,000.

NEBRASKA.

Plattsmouth—Parmele Savings Bank; capital, $25,000; Pres., A. M. Modisett; Vice-Pres., H. A. Dawson; Cas., H. C. Dall.

RUSHVILLE—Stockman's Bank.

ST. PAUL—First State Bank (successor to First National Bank).

NEW JERSEY.

DOVER—People's National Bank; capital, $50,000; Pres., James H. Simpson; Cas., Wilbur F. Morrow.

NEW YORK.

NEW YORK—Lawton, Flint & Co., 15 Broad St.——E. S. Mendels, Jr., & Co., 6 Wall St.

OHIO.

AUBURNDALE — Auburndale Savings Bank Co.; Pres., F. D. Suydam; Cas., F. E. Southard.

COLUMBUS — City Deposit Bank; capital, $50,000.

MEDINA — Medina County National Bank; Pres., B. H. Wood; Cas., B. Hendrickson.

PENNSYLVANIA.

MIFFLINTOWN—Juniata Valley Nat. Bank (successor to Juniata Valley Bank); capital, $60,000; Pres., Louis E. Atkinson; Cas., T. Van Irwin.

NEW BLOOMFIELD—First National Bank; capital, $50,000; Pres., William C. Pomeroy; Cas., James T. Alter.

SOUTH CAROLINA.

ROCK HILL—National Union Bank: capital, $120,000; Pres., W. L. Roddy; Cas., R. Lee Kerr.

TENNESSEE.

JAMESTOWN—Fentress County Savings Bank; capital $10,000.

TEXAS.

ROBY—Fisher County Bank.

WEST VIRGINIA.

SALEM—Salem Bank; capital, $25,000; Pres., G. Payne; Vice-Pres., W. W. Jamieson; Cas., S. H. White.

WYOMING.

SARATOGA — Platte Valley Bank; capital, $10,000.

CANADA.

MANITOBA.

RUSSELL—Dudley, Leese & Sealth.

NOVA SCOTIA.

WOLFBORO—Union Bank of Halifax; Wm. C. Harvey, Acting Agent.

ONTARIO.

TORONTO—National Trust Co.; organizing.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

BESSEMER—Percy T. Whilden & Co.; title changes to Bank of Commerce; W. P. Golson, Cas.

BIRMINGHAM—First National Bank; J. H. Barr, Acting Cas. in place of Tom O. Smith. ——Berney National Bank; C. M. Williamson, Asst. Cas.

GADSDEN—First National Bank; S. W. Riddle, Pres. in place of W. H. Simmons.

ALASKA.

JUNEAU—First National Bank; C. M. Summers, Cas. in place of W. H. Eddy.

CALIFORNIA.

HAYWARDS—Bank of Haywards; William F. Goad, Pres., deceased.

WOODLAND—Bank of Woodland; John D. Stephens, Pres., deceased.

CONNECTICUT.

HARTFORD—Charter Oak National Bank; Robert C. Glazier, Asst. Cas.

WATERBURY — Manufacturers' Nat. Bank; David B. Hamilton, Pres., deceased.

DELAWARE.

SMYRNA—National Bank of Smyrna; David J. Cummins, Pres., deceased.

DISTRICT OF COLUMBIA.

WASHINGTTN—Washington Loan and Trust Co.; Andrew Parker, Treas. in place of John R. Carmody, resigned; Robert A. Chester, Asst. Treas.

GEORGIA.

LAVONIA—Bank of Lavonia; capital, $25,-000; W. S. Witham, Pres.; E. K. Farmer, Cas.

ILLINOIS.

BEARDSTOWN — First State Bank; Henry Garm, Vice-Pres., deceased.

CHICAGO—Oakland National Bank of Hyde Park; L. S. Kenicott, Asst. Cas.

EAST ST. LOUIS—First National Bank; Jno. J. McKean, Jr., Acting Cas. during absence of J. M. Woods, Cas.

PITTSFIELD—First National Bank; Clark P. Chapman, Pres., deceased.

RUSHVILLE — Bank of Schuyler County; Thomas Wilson, Pres., deceased.

STAUNTON—Wall & Panhorst; H. W. Wall, deceased.

TUSCOLA—First National Bank; F. W. Hammett, Cas. in place of E. B. Rogers.

INDIANA.

GOSHEN—Salem Bank; John W. Irwin, proprietor, deceased.

HARTFORD CITY—Blackford County Bank; Charles W. Cole, Asst. Cas., resigned.

INDIANAPOLIS—Merchants' National Bank; Christian F. Bals, director, deceased.

MUNCIE — Merchants' National Bank; no Asst. Cas. in place of A. L. Shideler.

IOWA.

BRIDGEWATER—Adair County Savings Bank; capital, $15,000; Lewis Linebarger, Pres., A. A. Wright, Cas.; S. E. Wright, Asst. Cas.

DES MOINES—Des Moines National Bank; Henry Riegelman, director, resigned.

DOON—German Savings Bank; reported will reopen.

KANSAS.

ARKANSAS CITY — Farmers' State Bank; Geo. A. Kimmell, Cas., deceased.

ATCHISON—Atchison National Bank; Milton Barratt, Pres., deceased.

EL DORADO—Farmers and Merchants' National Bank; Robert H. Hazlett, Pres. in place of N. F. Frazier; A. E. Nuttle, Vice-Pres. in place of H. H. Gardner; H. H. Gardner, Cas. in place of Ed. C. Ellet; W. F. Benson, Asst. Cas. in place of Jno. T. Evans.

SENECA—National Bank of Seneca; James H. Gleason, Cas. in place of J. A. Gilchrist; Ray A. Thompson, Asst. Cas. in place of James H. Gleason.

KENTUCKY.

FRANKFORT—Farmers' Bank of Kentucky; A. W. Overton, Cas. in place of Grant Green, deceased.

LEXINGTON—Third National Bank; J. H. Shropshire, Cas., retired.

MILTONVALE—Drovers' State Bank; J. W. Catlin, Pres.: Jno. B. Morris, Cas.

NESS CITY—Citizens' State Bank; J. C. Hopper, Pres.; John Engle, Cas.; Estella Platts, Asst. Cas.

OWENSBORO—Deposit Bank and Owensboro National Bank; to be consolidated under title of National Deposit Bank.

RUSSELLVILLE—Bank of Russellville; articles filed asking for reduction of capital stock to $40,000.

WILLIAMSTOWN—Bank of Williamstown; capital stock reduced from $100,000 to $50,000.

MAINE.

GARDINER—Merchants' National Bank; Celon LeB. Gooden, Pres. in place of David Dennis; no Vice-Pres. in place of A. M. Spear.

MARYLAND.

CRISFIELD — Somerset Savings Bank and Loan Association; J. L. Carman, Vice-Pres. in place of Washington Bowie.

MASSACHUSETTS.

ADAMS—Greylock National Bank; Job Kelly Anthony, Vice-Pres., deceased.

BOSTON—Old Boston National Bank; Henry W. Pickering, director, deceased.——Lincoln National Bank; Frank M. Ames, director, deceased.——Shoe and Leather National Bank; Walter F. Ford, director, deceased.

NORTH ADAMS—Berkshire National Bank; corporate existence extended until August 28, 1918.

NORTH ATTLEBORO—North Attleboro National Bank; Andrew E. Jencks, Cas. in place of E. R. Price; no Asst. Cas. in place of Andrew E. Jencks.

SPRINGFIELD—Second National Bank; William P. Porter, Pres. in place of Gurdon Bill; Gurdon Bill, Vice-Pres.

MICHIGAN.

CORUNNA—First National Bank; Patrick Gallagher, Pres. in place of Wm. D. Garrison.

DETROIT—First National Bank; A. W. Clark, Asst. Cas.——Home Savings Bank; Edwin F. Conely, 1st Vice-Pres. in place of Joseph Taylor, deceased; Ralph Phelps, Jr. and Julius W. Haass, elected directors.

JACKSON—People's National Bank; B. M. DeLamater, Vice-Pres. in place of W. R. Reynolds.

LAPEER—First National Bank; H. D. Rood, Pres.; Edmund Brownell, Vice-Pres. in place of H. D. Rood.

TRAVERSE CITY—First National Bank; Frank Welton, Asst. Cas.

WEST BAY CITY—Lumberman's State Bank; James Davidson, Vice-Pres. in place of Spencer O. Fisher.

MINNESOTA.

JANESVILLE—Waseca County Bank; capital, $15,000; James Slocum, Jr., Pres.; A. M. Slocum, Cas.

MANKATO—First National Bank; reported will reduce capital stock to $100,000.

NORWOOD—Bank of Norwood: Geo. J. Bradley, Cas. in place of A. M. Slocum.

HAMMOND—Hammond State Bank; capital, $10,000; M. J. Moldoon, Pres.; W. W. Churchill, Cas.

MISSOURI.

FOREST CITY—Bank of Forest City (successor to the Frazer & McDonald Bank); Thomas Cottier, Pres.; Erwin M. Austin, Cas.

HAMILTON—First National Bank; Dan Booth, Pres. in place of P. A. Switzer; R. J. Murphy, Cas. in place of W. W. Anderson; C. A. Martin, Asst. Cas. in place of R. J. Murphy.

NEBRASKA.

DAVID CITY—First National Bank; F. E. Schaaf, Cas. in place of J. G. Ross.

NEW HAMPSHIRE.

MANCHESTER — Amoskeag Savings Bank; Moody Currier, Pres., deceased.

MILFORD—Souhegan National Bank; F. W. Sawyer, Cas. in place of F. T. Sawyer, deceased; no Asst. Cas. in place of F. W. Sawyer.

WINCHESTER—Winchester National Bank; J. Grace Alexander, Asst. Cas.

NEW JERSEY.

WASHINGTON—Washington National Bank; R. M. Petty, Vice-Pres.

NEW YORK.

BROCKPORT—First National Bank; Geo. C. Gordon, Pres., deceased.

CARTHAGE—First National Bank; capital stock reduced from $100,000 to $50,000.

CLYDE—First Nat. Bank; William S. Hunt, Vice-Pres., deceased.

DOBBS FERRY—Greenburg Savings Bank; Charles E. Storms, Sec. and Treas.

GRANVILLE—Farmers' Nat. Bank; H. H. Searles, Cas.

NEW YORK—National City Bank; Rosewell G. Rolston, director, deceased. —— Van Schaick & Co.; J. Heron Crosman, admitted to firm.——Atlantic Trust Co.; Benjamin Strong, Jr., Asst. Sec.——Lewis G. Tewksbury & Co.; succeeded by Fitts, Frary & Hampson.——Kerr & Co.; Chauncey F. Kerr, deceased.——Poor & Greenough, John Greenough, retired from firm; Charles E. Berner admitted to firm.——Phenix Nat. Bank: Geo. M. Coffin, Vice-Pres.——New England Loan and Trust Co.; Wilbur F. Bartlett, Sec. and Treas., deceased.——Rudolph Kleybolte & Co.; removed to 1 Nassau St.——Mechanics and Traders' Bank; Max Jagerhuber, elected director.

PORT JERVIS—First National Bank; Charles Brox, Vice-Pres. in place of John B. Layton, deceased.

ROCHESTER—Traders' National Bank; Simon L. Brewster, Pres., deceased.

OHIO.

COLUMBUS—Central Ohio Savings Bank and Trust Co., C. S. Cherrington, Vice-Pres. in place of J. W. Dusenbury; J. W. Dusenbury, Cas. in place of L. L. Lang, resigned.

MEDINA—Old Phoenix National Bank; Blake McDowell, Cas. in place of B. Hendrickson.

PENNSYLVANIA.

BLAIR'S MILLS—Tuscarora Bank; J. M. Blair, Pres.; J. J. Clarkson, Cas.

DILLSBURG—Dillsburg Nat. Bank; corporate existence extended until Aug. 31, 1918.

MEADVILLE—New First Nat. Bank; W. B. Fulton, Asst. Cas. in place of J. M. Dunbar.

MECHANICSBURG—First Nat. Bank; James A. Brandt, Cas. in place of A. C. Brindle; no Asst. Cas. in place of James A. Brandt.

MILTON—Milton Nat. Bank; H. R. Frick, Cas. in place of R. M. Frick, deceased.

PHILADELPHIA—Nat. Bank of the Northern Liberties; L. C. Simon, Cas. in place of John Rapson; E. S. Kromer, Asst. Cas. in place L. C. Simon.——Union Trust Co.; capital stock reduced to $500,000.

PHOENIXVILLE — Farmers and Mechanics' National Bank; Mahlon Miller, Vice-Pres., deceased.

PITTSBURG—Iron City National Bank; John C. Stevenson, Vice-Pres.

WASHINGTON—Farmers and Mechanics' National Bank; A. C. Warne, Cas. in place of Walter L. Whiting, resigned.

TENNESSEE.

CLARKSVILLE — Northern Bank of Tenn.; W. B. Anderson, Pres. in place of D. N. Kennedy.

NASHVILLE—American National Bank; N. P. Le Sueur, Cas. in place of A. W. Harris, deceased; no Asst. Cas. in place of N. P. Le Sueur.——Fourth National Bank; capital reduced to $600,000.

LENOIR CITY—Lenoir City Bank; Ronald P. Eaton, Cas. in place of C. B. Hall.

TEXAS.

BROWNSVILLE—First National Bank; William Kelly, Pres. in place of G. M. Raphael; M. B. Kingsbury, Vice-Pres. in place of William Kelly.

CLEBURNE—National Bank of Cleburne; J. S. Corley, Cas. in place of E. T. Kelly.

MCGREGOR—First National Bank; Jno. P. Cooper, Asst. Cas.

MCKINNEY—Collin County National Bank; T. C. Goodner, Actg. Cas. during absence of J. L. White, Cas.

VERMONT.

BENNINGTON—Bennington County National Bank; no Pres. in place of S. M. Sibley, deceased; corporate existence extended until August 7, 1918.

VIRGINIA.

RICHMOND—State Bank of Virginia; W. E. Tanner, director, deceased.

WASHINGTON.

SPOKANE - Exchange National Bank; I. N. Peyton, Pres. in place of Jacob Hoover, deceased.

WEST VIRGINIA.

FAIRMONT—People's Bank; John B. Crane, Cas., deceased.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

CONNECTICUT.

HAZARDVILLE—Hazardville Banking Co.

ILLINOIS.

WAVERLY—Bank of Waverly.

INDIANA.

NEW PARIS—Exchange Bank.

KANSAS.

BURDEN—Eastern Cowley Banking Co.

WILLIS—J. D. Harpster; in voluntary liquidation.

MICHIGAN.

MIDLAND—State Bank; out of business.

MINNESOTA.

HOUSTON—Exchange Bank.

NEW RICHLAND—Bank of New Richland.

PRESTON—Fillmore County Bank.

MISSISSIPPI.

ROSEDALE—Bank of Rosedale.

MISSOURI.

HANNIBAL—First National Bank; in voluntary liquidation August 1.

KANSAS CITY—Citizens' National Bank; in voluntary liquidation July 28.

NEBRASKA.

ST. PAUL—First National Bank; in voluntary liquidation August 1.

NEW YORK.

NORTH TONAWANDA—James H. Rand Banking House; in voluntary liquidation.

SOUTH CAROLINA.

ROCK HILL—First National Bank; in voluntary liquidation August 31.

WISCONSIN.

MILWAUKEE—Central National Bank; in voluntary liquidation August 1.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, September 3, 1898.

The signing of the peace protocol by the United States and Spain on August 12 was the all-important event of the month. It caused a suspension of hostilities, a return of many of our soldiers to the United States, and a prompt curtailment of some of the heavy expenditures of the Government. The day after the signing of the protocol, on August 13, Manila was captured by the American forces under Admiral Dewey and General Merritt, news of the signing not having reached the Philippines. The assurance of peace has given a spurt to confidence and there is witnessed already a general revival in many lines of business.

The stock market was the quickest to take advantage of the improved sentiment inspired by the restoration of peace. Both stocks and bonds were very active and made extraordinary advances. More than 12,000,000 shares of stock and nearly $100,000,000 of bonds were traded in, which is considerably more than in August, 1897, and compares with about 4,000,000 shares and $19,000,000 bonds in August, 1896.

It is possible to gain some idea of the effect of the war upon values in Wall street from a study of the following table. Prices of stocks had reached a low level on August 10, 1896, but then began to advance until September 17, 1897. There were subsequent reactions and recoveries until February 15, 1898, when the Maine was sunk in Havana harbor. The market broke on the news and again on March 26 the day following the presentation of the report of the committee which investigated the disaster. On April 21 the war with Spain began by the dismissal of our Minister from Madrid. We show the prices of twenty-five stocks on each of the dates mentioned and also on August 12 when the protocol was signed and on August 31:

	Aug. 10, 1896.	*Sept. 17, 1897.*	*Feb. 15. 1898.*	*Mar. 26, 1893.*	*Apr. 21, 1898.*	*Aug. 12, 1898.*	*Aug. 31, 1898.*
Atchison	9½	16½	13⅛	10⅝	10¼	14⅜	13⅝
Canada Southern	42	61¼	55⅝	45¼	45	53½	54¼
Central New Jersey	90	100¾	97	86½	88¼	93	90½
Chicago, Burlington and Quincy	55⅛	101¼	102⅞	85⅞	88	114⅛	117
St. Paul	62½	101½	95¾	85⅛	83¼	105¾	112¾
Northwestern	88½	131½	129¼	114⅛	115	133½	135
Omaha	32¼	87¾	78	66	68	84⅜	84⅛
Rock Island	50¾	95¼	92¼	80⅛	82	103	105⅛
Delaware and Hudson	115	121½	113	106	104	109	106¾
Lackawanna	139	162½	157½	144¾	145	152½	151½
Erie	11⅛	18⅝	15¼	11⅝	11	14	14¼
Lake Shore	148	179	191⅞	180	176	196	192½
Louisville and Nashville	40½	61¾	60	45	44	56⅛	58½
Missouri, Kansas and Texas, preferred	9¼	41⅛	39⅜	31	30	37	38
Missouri Pacific	15½	38⅞	33½	22⅝	25	37⅞	38
New York Central	89⅛	115	118⅝	105	106¼	120	118½
Ontario and Western	11½	19⅞	17½	13¾	13½	15⅞	15⅞
Northern Pacific	3¾	21¾	26⅝	19⅞	21	34⅛	40⅝
Pacific Mail	17	38	32	22	21	33¼	34
Reading	9	28⅝	21⅝	15⅞	15⅝	18¼	18¾
Southern	7	12⅛	9⅛	7⅛	7	9¼	9¾
Texas and Pacific	5⅝	14⅛	12⅝	9½	9	13¼	15⅝
Union Pacific	5⅛	24½	34½	16⅛	18	26¾	34
Wabash, preferred	12¾	23⅝	18¾	14½	14⅝	20⅝	23¾
Western Union	75	96⅜	92⅞	82¼	84⅜	94	93¾
Average	45⅜	68½	66⅜	56⅞	56¾	67⅝	68⅛

The stock market had advanced 23⅛ per cent., from 45⅜ to 68½, between August 10, 1896, and September 17, 1897, but had declined to 66⅜ on February 15 the day before news of the Maine disaster reached here. When the report on the disaster was submitted to the President the market had declined to 56⅞, and on April 21, 1898, when war began, the average of prices was 56¾, or 11¾ per cent. below the high average of September 17, 1897. Actual war, however, had no depressing influence upon the stock market as witness the advance of 10⅞ per cent. between April 21 and August 12. Since the signing of the protocol the market has advanced a little more and on August 31 the average of closing prices was 68½, or exactly the same as on September 17, 1897. The war may have kept prosperity back a year, but long before peace negotiations were in sight, our victories in war deprived the hostilities of any pessimistic influence.

As the month closes there is witnessed a hardening of the money market quite unusual in recent years. At this time of the year a demand for currency to move the crops always has some influence, but this year the supply of money in the West is so large that the demand upon New York banks ought not to be very heavy. Still the proportion of legal tenders held by the banks is so small as to cause considerable inconvenience in making shipments of currency to interior points. The banks have less than $55,000,000 legal tenders and over $148,000,000 specie. A year ago they held $102,000,000 legal tenders and $92,000,000 specie, and on September 1, 1896, $74,000,000 legal tenders and $49,000,000 specie. The small supply of legal tenders is an embarrassment to the banks although the fact is not to be lost sight of that the reserves have fallen to but a little in excess of the twenty-five per cent limit.

The absorption of money by the United States Treasury is one of the most important influences in the present situation. From the time the bill to create the new loan was enacted the Government has been receiving money faster than it has paid it out. While the ordinary revenues fell short of the current expenditures the payments for bonds more than made up the deficit. The revenue bill was signed by the President on June 13 and subscriptions for the bonds invited on the same day. The subscriptions closed on July 14. The cash assets of the Treasury on those dates and on August 31 are shown as follows:

	June 13.	*July 14.*	*August 31.*
Net gold	$165,911,401	$175,627,768	$216,287,616
Net silver	7,548,059	11,011,325	10,381,908
Net United States notes	29,610,099	42,565,762	54,130,487
Miscellaneous assets	18,933,015	26,423,943	24,468,997
Total in Treasury	$222,000,574	$255,628,798	$305,269,008
Deposits in National banks	27,998,724	53,352,093	65,254,169
Total	$249,999,298	$308,980,889	$370,523,177
Current liabilities	60,300,445	71,199,572	74,708,371
Net cash balance	$189,698,853	$237,781,316	$295,814,806

In one month after the subscriptions for bonds were invited more than $33,000,000 cash went into the Treasury besides $25,000,000 that the Government deposited in National banks. Since July 14 nearly $50,000,000 more cash has gone into the Treasury while $12,000,000 was deposited with the banks. The extent of the contraction of currency through Treasury operations is apparent in the increase in cash in the Treasury from $222,000,000 on June 13 to $305,000,000 on August 31, an increase of $83,000,000. The deposits in National banks have increased $37,000,000 in the same time, making the increase in the total cash assets $120,000,009. The net cash balance increased $106,000,000—all in about eleven weeks.

Further contractions may be expected, but as a consequence of the payment of subscriptions for the three per cent. bonds. Then as the extraordinary expenditures for war purposes are reduced, the proceeds of the war revenue law will bring a surplus into the Treasury, and the problem of getting rid of the surplus will again be a pressing issue.

The Government has appreciated the influence that the Treasury absorptions are having, and the Secretary has made the announcement that on September 10 he will anticipate the payment of the interest due October 1 on the four per cent. bonds. This will release about $5,600,000 three weeks earlier than if the checks were kept back until the date of maturity.

As a further method of relieving the money market the Secretary of the Treasury has issued a call offering to redeem the balance of Pacific railroad bonds amounting to $14,004,560. These bonds mature on Jan. 1, 1899, but the Government will redeem them at a rebate of ⅛ per cent. of their face value during the month of September.

The question of meeting the demand for currency in the West and South is more pressing than it would be if the Government were not taking so much money out of circulation. Not only is the money being withdrawn from circulation but the legal-tender notes as already noted are being reduced in volume. From August until about November 1 the New York banks are usually called upon to supply considerable currency to their out-of-town correspondents. The following statement shows the outflow of legal tenders, specie and cash reserves at this season of the year since 1887:

	Legal Tenders.		*Specie.*		*Total Reserve.*	
1888—August 4 to November 10	Dec.	$13,042,300	Dec.	$2,004,900	Dec.	$15,047,200
1889—July 27 to November 9	"	17,894,000	Inc.	1,130,500	"	16,764,100
1890— " 26 to October 11	"	12,965,800	"	9,530,600	"	3,435,200
1891—August 1 to November 7	"	24,907,100	"	15,342,000	"	9,565,100
1892—July 30 to November 19	"	24,919,200	Dec.	13,948,400	"	38,897,600
1893—August 19 to October 21	Inc.	80,167,000	Inc.	37,365,700	Inc.	67,532,700
1894— " 18 to October 6	Dec.	8,379,300	"	1,186,700	Dec.	7,192,600
1895— " 17 to November 2	"	84,032,300	Dec.	1,480,400	"	35,512,700
1896— " 1 to November 7	"	82,010,200	Inc.	17,447,900	"	14,562,300
1897— " 28 to October 9	"	82,417,300	"	1,320,400	"	31,096,900
1898— " 6 to September 3	"	5,457,700	Dec.	20,609,700	"	26,067,400

Except in 1893 the banks have lost legal tenders between August and November every year in the past ten years, the decrease ranging from $8,000,000 to $32,000,000 in a season. Frequently the legal tenders are to a greater or less extent replaced by specie, but from about the middle of August until near November 1 the banks may reasonably expect to lose currency. This year and in the four weeks since August 6 the banks have lost nearly $5,500,000 legal tenders and $20,600,000 specie, a total of $26,000,000. With more than a month, possibly two months, of a drain to satify the interior need of money, the question is a vital one to the banks how they will meet the demand.

Both the banks and the United States Treasury are in a way overwhelmed with gold. While the Government is willing to exchange small notes for notes of large denominations, it does not care to exchange them for gold. The banks have raised the question whether the Treasury Department ought not to resume the issue of gold certificates. The Secretary is reported as expressing some doubt as to his authority to issue these certificates after having once suspended their issue.

The Treasury now has $253,000,000 in gold while against it there are only about $35,000,000 of gold certificates outstanding. When in April, 1893, the issue of gold certificates was suspended, the Treasury held $218,000,000 gold; but against it were outstanding $111,000,000 certificates. There were over $163,000,000 of gold certificates in circulation in January, 1892; and from 1888 to 1893 they never fell below $100,000,000 in amount. As the law provides that certificates shall not be issued when the gold reserve in the Treasury falls below $100,000,000—and the reserve is now $118,000,000 in excess of that sum—unless the lawyers find something in the law to prevent it, the Secretary might resume the issue of the certificates and put an end to a serious inconvenience.

The Treasury is itself a victim in this case. Nearly sixty per cent. of the total receipts at the New York custom-house is now paid in gold, and since April 1 the proportion has ranged from fifty-two to seventy-three per cent. Less than a year ago barely one-half of one per cent. of the customs revenues was paid in gold, the payments being made about two-thirds in United States notes and one-third in silver certificates. Now, about forty per cent. is paid in notes and certificates in about equal proportions.

The Treasury is suffering from an embarrassment of riches, a condition which at least will assure the country exemption from any panic such as only about two years ago was disturbing the country and its industries.

The general business situation is steadily improving and the volume of trade operations is approaching record-breaking figures. The bank clearings in August were nearly twenty per cent. larger in New York than in August last year, and nearly ten per cent. larger in the rest of the country. The past month makes a favorable comparison with any corresponding month in previous years.

Another favorable indication is the large decrease in mercantile failures. For August these, as reported by "Dun's Review," were 748 in number, with liabilities of $6,078,655—the smallest in any month for five years. Last year there were 921 failures with $8,174,428 liabilities; in 1896, 1,107 failures with $28,008,637 liabilities, and in 1895, 1,025 failures with $10,778,399 liabilities.

The Money Market.—Rates for money in the local markets have been hardening of late and influences have been at work to produce at least a temporary stringency. Not the least active factor in the money market is the United States Treasury, which has been taking money out of circulation for its new bond issue. In the last three months the Treasury cash balance has increased $113,000,000, while the public deposits in National banks have increased only $37,000,000, making $76,000,000 that has gone into the Treasury. This contraction comes at a time when there is usually an active demand for money in New York to ship West and South. The scarcity of notes has compelled the shipment of gold coin to some extent to meet the interior demand. An active speculation at the New York Stock Exchange also affected the demand for money. It is not probable that rates for money will reach a very high figure as the indications point to a large import movement in gold whenever the money market here shows signs of stringency.

Money Rates in New York City.

	April 1.	May 1.	June 1.	July 1.	Aug. 1.	Sept. 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances	1½–5	2¼– 3½	1 –1¾	1 –1¼	1 –1½	2 –2½
Call loans, banks and trust companies	2 –2½	4 –	1½–2	1½–	1½–	2½–
Brokers' loans on collateral, 30 to 60 days	4 –4½	6 –	2¼–2½	2½–	2½–	2½ –3
Brokers' loans on collateral, 90 days to 4 months	5 –6	6 –	3 –	2½–3	2½–3	3½–4
Brokers' loans on collateral, 5 to 7 months	5 –6	6 –	3½–	3 –3½	3 –3½	4 –
Commercial paper, endorsed bills receivable, 60 to 90 days	5 –	6 –	3¾–	3 –3½	3½–3¾	4 –
Commercial paper prime single names, 4 to 6 months	5½–6	6½–7	4 –4½	3½–4	3¾–4¼	4 –5
Commercial paper, good single names, 4 to 6 months	6½–7½	7 –9	5 –6	4½–5½	4½–5½	5 –6

At the close of the month call money ruled at 2 to 2½ per cent., the average rate being about 2¼ per cent. Banks and trust companies quote 2½ per cent. as the minimum. Time money on Stock Exchange collateral was quoted at 3 per cent. for 60 days, 3½ @ 4 per cent. for 90 days to four months, and 4 per cent. for five to six months. For commercial paper the rates are 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.

New York City Banks.—About $18,000,000 specie and $6,000,000 legal tenders went out of the New York Clearing House banks in the last five weeks. The payments for the new bond issue of the Government and the interior demand for money to move the crops have both affected the bank reserves. The surplus reserve is now below $15,000,000, a decrease of $47,000,000 since July 2, and the smallest held since December 24 last. Deposits increased early in the month and made a new high record on August 20, the total exceeding $765,000,000, but in the last two weeks there has been a reduction of nearly $13,000,000 in deposits. Loans continue to increase and now exceed $672,000,000, the highest amount ever recorded. Until last December the loans never were as much as $600,000,000. In the last month loans have been increased $35,000,000 while deposits have increased less than $11,000,000.

New York City Banks—Condition at Close of each Week.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Aug. 6...	$649,499,800	$168,988,000	$60,167,900	$757,051,600	$39,893,000	$14,273,800	$741,158,800
" 13...	659,411,200	166,224,400	57,076,100	760,754,600	33,111,850	14,231,100	778,612,700
" 20...	666,743,400	164,573,200	55,519,500	765,013,800	28,839,250	14,202,000	843,316,500
" 27...	672,091,800	155,968,700	55,433,200	760,234,400	21,343,300	14,123,800	762,047,000
Sept. 3...	672,173,900	148,378,300	54,710,200	752,389,800	14,990,050	14,080,500	888,054,800

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	35,720,800
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	696,006,400	53,704,600
July	499,046,900	20,328,275	604,983,700	41,384,875	750,074,600	62,013,550
August........	485,014,000	17,728,600	623,045,000	45,720,150	741,680,100	41,904,475
September....	451,934,800	8,836,200	636,996,000	39,517,700	752,389,800	14,990,050
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, $765,013,800, on July 9, 1898, loans, $672,173,900, on September 3, 1898, and the surplus reserve $111,623,000 on February 8, 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.*
Aug 6......	$59,010,100	$66,925,400	$3,717,400	$3,896,100	$9,031,300	$4,263,800	$4,177,250
" 13.....	59,303,400	67,290,200	3,780,500	4,124,800	9,353,500	3,917,700	4,353,950
" 20......	59,531,500	67,346,700	3,674,400	3,997,500	9,175,100	4,221,400	4,231,725
" 27......	59,686,000	67,129,800	3,703,500	3,997,400	8,633,200	4,190,900	3,742,600
Sept. 3......	60,002,300	66,871,300	3,571,800	3,844,300	8,138,900	4,263,700	3,100,875

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.*
Aug. 6........	$179,487,000	$189,852,000	$15,061,000	$5,249,000	$6,008,000	$102,108,600
" 13........	182,028,000	191,792,000	15,155,000	5,815,000	6,011,000	95,498,800
" 20........	182,473,000	193,864,000	14,890,000	5,041,000	6,019,000	95,440,800
" 27........	184,471,000	193,720,000	15,540,000	4,943,000	6,119,000	95,069,500
Sept. 3........	187,092,000	196,376,000	16,767,000	4,672,000	6,192,000	95,197,000

Philadelphia Banks.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Aug. 6..................	$115,974,000	$130,577,000	$40,662,000	$5,878,000	$65,829,600
" 13..................	117,414,000	132,118,000	40,715,000	5,879,000	67,387,000
" 20..................	118,361,000	134,628,000	41,287,000	5,891,000	69,804,400
" 27..................	118,477,000	132,257,000	40,256,000	5,894,000	63,582,000
Sept. 3..................	120,196,000	133,859,000	39,471,000	5,928,000	69,750,008

European Banks.—The movement of gold was favorable to the Bank of England during most of the month, but latterly some gold was taken from the Bank for shipment to the United States and Germany as well as to the interior. Considerable gold has been imported from Australia. The Bank lost about $1,500,000 in the past month, while the Bank of France gained nearly $2,500,000, and the Bank of Germany, $3,500,000.

Gold and Silver in the European Banks.

	January 1, 1898.		*August 1, 1898.*		*September 1, 1898.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England............	£30,453,493	....	£35,283,046	....	£35,003,218	....
France.............	78,114,972	£48,230,367	74,878,817	£49,520,824	75,867,986	£49,860,894
Germany............	29,316,000	15,102,000	28,511,000	14,688,000	29,2[illegible]5,000	15,075,000
Austro-Hungary...	36,475,000	12,334,000	35,064,000	12,637,000	84,998,000	12,028,000
Spain..............	9,431,000	10,300,000	10,213,000	5,838,000	10,514,000	5,483,000
Netherlands........	2,629,000	6,820,000	3,701,000	6,928,000	4,309,000	6,877,000
Nat. Belgium.......	2,824,009	1,412,000	2,949,000	1,474,000	2,853,000	1,427,000
Totals...........	£180,243,465	£94,198,367	£190,599,863	£90,585,824	£192,310,204	£90,750,894

Money Rates Abroad.—In some of the principal European money markets rates have become somewhat harder, although the Bank of England still maintains

Money Rates in Foreign Markets.

	Mar. 18.	*Apr. 1.*	*Apr. 29.*	*June 10.*	*July 8.*	*Aug. 19.*
London—Bank rate of discount.....	3	3	4	3	2½	2½
Market rates of discount:						
60 days bankers' drafts......	2⅞—3	2⅞	3½—⅝	1⅜—7/16	1⅛	1 1/16
6 months bankers' drafts....	2⅞	2⅞	3½—⅝	1⅞—2	2	2⅜
Loans—Day to day...........	2	2	2½	1	½	1
Paris, open market rates............	1¾	1⅞	2	1¾	1¾	1¾
Berlin, "	2¾	2¾	3¼	3½	3⅜	3¼
Hamburg, "	2⅞	2¾	3⅜	3½	3⅜	3¼
Frankfort, "	2⅞	2⅝	3¾	3½	3⅜	3¼
Amsterdam, "	2½	2⅝	2⅞	2½	2½	2¼
Vienna, "	3⅜	3⅝	4	3⅞	3⅞	3⅞
St. Petersburg, "	5	4¾	4¾	5¼	5	4½
Madrid, "	4	4	5	5	5	5
Copenhagen, "	4	4	4	4½	4½	3½

its rate of discount at 2½ per cent., and the Bank of France, 2 per cent. Discount of 60 to 90 day bills in London at the close of the month were 1⅞ per cent. against

1⅛ @ 1⅝ per cent. a month ago. The open rate at Paris was 1¾ @ 1⅞ per cent., the same as a month ago; at Berlin 3¼ @ 3⅜ per cent., an advance of ⅛ per cent., and at Frankfort 3¼ @ 3⅜ per cent., an advance of ⅛ per cent.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	May 11, 1898.	*June 15, 1898.*	*July 13, 1898.*	*Aug. 17, 1898.*
Circulation (exc. b'k post bills)	£27,556,645	£27,310,025	£28,106,255	£28,012,030
Public deposits	11,403,473	11,494,625	7,278,369	7,802,908
Other deposits	43,516,141	44,908,893	46,877,855	42,440,103
Government securities	13,187,953	13,328,051	13,791,630	13,858,648
Other securities	35,775,252	36,278,747	33,463,378	30,774,206
Reserve of notes and coin	23,812,767	27,639,102	25,040,372	23,772,837
Coin and bullion	34,569,412	38,155,127	36,346,627	34,984,867
Reserve to liabilities	43¼%	48 15/16%	46⅛%	47¼%
Bank rate of discount	4%	3%	2½%	2½%
Market rate, 3 months' bills	3¾%	1½%	1⅛%	1 7/16 @ 1½%
Price of Consols (2¾ per cents.)	111	111 7/16	111 11/16	110⅝
Price of silver per ounce	26 1/16d.	26¾d.	27¼d.	27½d.
Average price of wheat	42s. 4d.	45s. 4d.	36s. 10d.	33s. 8d.

FOREIGN EXCHANGE.—Early in the month sterling exchange was strong and advanced quite steadily. Since the middle of the month however rates have declined showing increased weakness as our local money market became more stringent. Some long sterling is being sold against future shipments of grain and cotton, but the present movement of those products is very small, making spot bills scarce. Some gold has arrived but the bulk was in transit for Cuba.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

Week ended	BANKERS' STERLING.		*Cable transfers.*	*Prime commercial. Long.*	*Documentary Sterling. 60 days.*
	60 days.	*Sight.*			
Aug. 6	4.83¾ @ 4.84	4.85½ @ 4.85¾	4.85¾ @ 4.86	4.83¼ @ 4.83½	4.82¾ @ 4.83
" 13	4.84 @ 4.84¼	4.85½ @ 4.85¾	4.85¾ @ 4.86	4.83½ @ 4.83¾	4.82¾ @ 4.83¼
" 20	4.83¾ @ 4.84	4.85¼ @ 4.85½	4.85¾ @ 4.86	4.83¼ @ 4.83½	4.82¾ @ 4.83¼
" 27	4.83½ @ 4.83¾	4.85 @ 4.85¼	4.85½ @ 4.85¾	4.83 @ 4.83¼	4.82½ @ 4.82¾
Sept. 3	4.82¾ @ 4.83	4.84¾ @ 4.85	4.85¼ @ 4.85½	4.82¼ @ 4.82½	4.81¾ @ 4.82¼

NATIONAL BANK CIRCULATION.—The new 3 per cent. bonds of 1898 already appear in the list of bonds deposited by the National banks to secure circulation. At the close of August there were $6,373,760 of these bonds used as the basis of

NATIONAL BANK CIRCULATION.

	May 31, 1898.	*June 30, 1898.*	*July 31, 1898.*	*Aug. 31, 1898.*
Total amount outstanding	$227,612,845	$227,816,702	$226,696,870	$227,178,615
Circulation based on U. S. bonds	196,155,935	197,078,092	195,692,685	197,839,965
Circulation secured by lawful money	31,456,910	30,738,610	31,004,185	30,402,911
U. S. bonds to secure circulation:				
Pacific RR. bonds, 6 per cent	3,665,000	3,665,000	3,665,000	3,106,000
Funded loan of 1891, 2 per cent	22,263,000	22,260,500	22,104,250	22,005,750
" " 1907, 4 per cent	147,387,100	147,728,600	147,304,100	145,335,600
Five per cents. of 1894	17,703,650	18,341,150	17,906,150	17,461,400
Four per cents. of 1895	28,359,150	28,206,150	27,546,150	26,213,650
Three per cents. of 1898	....	....	....	6,373,760
Total	$219,377,900	$220,201,400	$218,525,650	$220,496,160

The National banks have also on deposit the following bonds to secure public deposits: Pacific Railroad 6 per cents., $477,000; 2 per cents of 1891, $1,609,300; 4 per cents of 1907, $21,246,000; 5 per cents. of 1894, $6,735,000; 4 per cents. of 1895, $9,131,000; 3 per cents. of 1898, $7,662,000; a total of $46,860,660.

The circulation of National gold banks, not included in the above statement, is $83,035.

circulation, while $7,662,000 additional were in use as security for public deposits, making more than $14,000,000 now known to be in the possession of the National banks out of a total of about $75,000,000 now reported by the Secretary of the

Treasury as outstanding. There was an increase in note circulation last month of $481,745, but an increase in circulation based on Government bonds of $1,083,919 partly offset by a decrease in the deposit of lawful money to retire circulation of $601,273.

GOLD AND SILVER COINAGE.—There was a considerable increase in amount of gold coined at the mints in August, the total for the month being the largest for any month since March, 1897, aggregating $9,344,200. The coinage of silver amounted to $2,850,000 of which $1,698,000 was in standard dollars. Of minor coins $163,786.25 were minted, making the total coinage in August $11,857,986.25.

UNITED STATES PUBLIC DEBT.—It is evident from the public debt statement that the Government is still in possession of the proceeds of new bonds that have not yet been distributed. The statement for August shows $74,845,020 of the new bonds outstanding, but the total debt, less cash in the Treasury, has increased less than $35,000,000 although the revenues last month were nearly $14,500,000 less than the disbursements. On June 1, 1898, the net debt was $1,037,773,760, while on August 1 it was $1,012,870,718, an apparent decrease of nearly $25,000,000. Since June 1 however the deficit in revenues has been more than $59,000,000, making a discrepancy of $84,000,000, or nearly $10,000,000 more than the amount of new bonds now reported in the debt statement. With the last of the 3 per cent. bonds issued we may expect to see the net debt go above $1,100,000,000 after the Government has paid all its war obligations. With a reduction in the war expenditures the present revenues will provide a considerable surplus which will rapidly reduce the net debt:

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1898.	*July 1, 1898.*	*Aug. 1, 1898.*	*Sept. 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	559,646,050	559,646,700	559,646,850
Refunding certificates, 4 per cent......	44,220	41,520	41,130	41,030
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
Ten-Twenties of 1898, 3 per cent........	....	....	....	74,845,020
Total interest-bearing debt...........	$847,365,620	$847,367,470	$847,367,730	$922,212,800
Debt on which interest has ceased... ...	1,330,270	1,262,680	1,260,050	1,259,030
Debt bearing no interest:				
Legal tender and old demand notes.....	346,735,363	346,735,013	346,735,013	346,735,013
National bank note redemption acct..	32,268,146	30,493,147	30,677,676	30,266,206
Fractional currency.....................	6,886,987	6,884,752	6,884,752	6,884,752
Total non-interest bearing debt......	$385,890,446	$384,112,912	$384,297,441	$383,885,971
Total interest and non-interest debt.	1,234,586,337	1,232,743,063	1,232,925,222	1,307,357,802
Certificates and notes offset by cash in the treasury:				
Gold certificates........................	38,128,149	37,420,149	37,287,149	37,119,149
Silver "	387,925,504	398,556,504	398,922,504	401,107,504
Certificates of deposit..................	44,555,000	26,605,000	23,075,000	20,560,000
Treasury notes of 1890	106,348,280	101,207,280	100,213,280	99,260,280
Total certificates and notes...........	$576,956,933	$563,788,933	$559,497,933	$558,046,933
Aggregate debt	1,811,543,270	1,796,828,508	1,792,423,155	1,865,404,735
Cash in the Treasury:				
Total cash assets	861.391,370	835,466,567	890,069,963	927.144,646
Demand liabilities.......................	625,916,601	629,808,997	635,225,748	632,657,562
Balance	$235,474,769	$205,657,570	$254,844,215	$294,487,084
Gold reserve..........................	100,000,000	100,000,000	100,000,000	100,000,000
Net cash balance........................	135,474,769	105,657,570	154,844,215	194,487,084
Total	$235,474,769	$205,657,570	$254,844,215	$294,487,084
Total debt, less cash in the Treasury.	999,111,568	1,027,085,493	978,081,0[illegible]7	1,012,870,718

FOREIGN TRADE.—There was a very large falling off in exports of merchandise in July as compared with previous months, the total value being less than $72,500,-000, but that is nearly $1,400,000 larger than in July, 1897, and the largest for the corresponding month in any recent year. The imports continue small when their volume should be increasing, and the total value was only about $50,674,000. Consequently we have another large export balance, nearly $22,000,000, making since January 1 a net balance of $317,000,000 as against only about $54,000,000 last year. We imported a little more than $1,000,000 gold in July, making nearly $87,500,000 for the seven months ended July 31. It is probable that there will be enough gold imported during the coming four months to make the total for the calendar year exceed $100,000,000. Our exports of silver have fallen off considerably and were only $1,853 000 in August and $13,558,000 in the seven months since January 1.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF JULY.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1893	$69,113,857	$63,186,067	Exp., $5,927,790	Imp., $5,776,401	Exp., $4,007,976
1894	52,614,176	65,302,066	Imp., 12,687,890	Exp., 12,752,306	" 1,400,838
1895	56,541,589	73,025,646	" 16,484,057	" 3,124,384	" 3,086,643
1896	67,717,789	52,108,552	Exp., 15,609,237	" 10,263,450	" 3,128,045
1897	71,103,968	53,674,759	" 17,429,209	" 4,523,918	" 2,011,290
1898	72,486,853	50,674,366	" 21,812,487	Imp., 1,116,517	" 1,853,591
SEVEN MONTHS.					
1893	457,511,344	520,383,575	Imp., 62,872,231	Exp., 56,182,494	Exp., 13,987,176
1894	457,043,454	401,245,272	Exp., 55,798,182	" 72,029,394	" 17,348,825
1895	443,406,784	464,625,876	Imp., 21,219,092	" 11,857,411	" 16,629,978
1896	512,329,786	421,764,109	Exp., 90,565,677	" 27,310,349	" 18,596,125
1897	560,872,280	506,481,172	" 54,391,108	" 23,391,986	" 15,117,780
1898	694,028,634	376,895,773	" 317,132,861	Imp., 87,487,321	" 13,558,549

GOVERNMENT REVENUES AND DISBURSEMENTS.—The revenues were about $2,000,000 less in August than in July but there was also a decrease of $18,000,000 in expenditures by the Government. It will occasion some surprise to learn that a reduction in disbursements should follow so quickly the signing of a peace protocol, but war expenditures are reported at $9,600,000 less than in July and expenditures for navy at more than $2,000,000 less. Ordinarily the Government disburses more in the first month of the fiscal year than in the following month, but we usually look for the decrease in the civil and miscellaneous. This year there is a decrease there of over $4,000,000. The revenues are now about double what they were a year ago.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.			EXPENDITURES.		
Source.	*August, 1898.*	*Since July 1, 1898.*	*Source.*	*August, 1898.*	*Since July 1, 1898.*
Customs	$16,249,699	$31,419,380	Civil and mis	$7,782,315	$19,843,702
Internal revenue	24,015,935	50,186,632	War	25,163,236	59,937,389
Miscellaneous	1,517,073	4,023,804	Navy	6,386,277	14,900,557
			Indians	766,084	1,435,958
Total	$41,782,707	$85,629,816	Pensions	13,084,735	25,742,630
			Interest	3,078,070	8,663,962
Excess of expenditures	$14,478,010	$44,894,377	Total	$56,260,717	$130,524,193

UNITED STATES TREASURY CASH RESOURCES.

	May 31.	*June 30.*	*July 30.*	*August 31.*
Net gold	$171,922,142	$166,473,139	$189,803,578	$216,287,617
Net silver	9,006,464	10,904,100	13,909,103	10,381,908
U.S. notes	30,208,559	33,606,769	46,630,137	54,180,487
Miscellaneous assets (less current liabilities).	*40,061,586	*45,754,222	*46,938,754	*50,239,378
Deposits in National banks	28,731,883	36,300,722	57,532,929	65,254,168
Available cash balance	$199,807,462	$201,530,722	$260,936,993	$295,814,806

* 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	$164,236,798
February	24,400,997	28,796,056	148,661,209	28,572,358	26,599,256	167,623,182
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	44,314,062	181,238,137
May	29,797,390	29,109,259	144,319,562	30,074,318	47,849,909	171,818,055
June	36,584,708	22,934,694	140,790,738	33,509,313	47,852,281	167,004,410
July	39,027,364	50,100,909	140,817,699	43,847,108	74,263,475	*189,803,578
August	19,023,615	33,588,047	144,216,377	41,782,707	56,260,717	
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	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.

Money in Circulation in the United States.—While the total volume of money in the country is rapidly increasing, the money in actual circulation is decreasing in consequence of the flow of money into the United States Treasury. There was a loss in circulation last month of $17,000,000 making a total of $51,000,000 since July 1. There was a decrease in gold of nearly $15,000,000 and in United States notes of more than $7,000,000 while silver certificates increased nearly $4,000,000.

Money in Circulation in the United States.

	Jan. 1, 1898.	July 1, 1898.	Aug. 1, 1898.	Sept. 1, 1898.
Gold coin	$547,568,360	$660,959,880	$645,246,054	$630,693,166
Silver dollars	61,491,073	57,259,791	57,293,336	57,738,313
Subsidiary silver	65,720,308	64,323,747	63,994,457	64,759,523
Gold certificates	36,557,689	35,820,639	35,693,679	35,473,009
Silver certificates	376,695,592	390,659,080	389,119,486	392,990,373
Treasury notes, Act July 14, 1890	103,443,936	98,665,580	95,735,553	94,920,654
United States notes	262,480,927	286,572,329	278,084,187	272,395,581
Currency certificates, Act June 8, 1872	43,315,000	26,045,000	21,975,000	20,280,000
National bank notes	223,827,755	223,129,708	222,056,642	222,845,926
Total	$1,721,100.640	1,843,435,749	$1,809,198,344	$1,792,096,545
Population of United States	73,725,000	74,522,000	74,656,000	74,790,000
Circulation per capita	$23.34	$24.74	$24.23	$23.96

Money in the United States Treasury.—The United States Treasury gained net $31,000,000 in cash holdings last month of which $29,000,000 was in gold. The Treasury holdings of cash have increased $70,000,000 since July 1 of which $50,000,000 was gold and $20,000,000 United States notes.

Money in the United States Treasury.

	Jan. 1, 1898.	July 1, 1898.	Aug. 1, 1898.	Sept. 1, 1898
Gold coin	$151,910,176	$104,775,284	$125,848,472	$148,201,497
Gold bullion	45,559,060	98,049,765	99,294,921	105,175,997
Silver Dollars	394,327,049	404,736,731	405,018,186	406,266,209
Silver bullion	102,284,736	98,195,494	97,871,697	96,141,237
Subsidiary silver	10,679,899	12,097,682	11,995,088	10,998,449
United States notes	84,200,089	60,108,687	68,596,829	74,285,435
National bank notes	5,186,886	4,770,474	4,782,428	4,415,724
Total	$794,147,895	$782,734,117	$813,338,611	$845,479,548
Certificates and Treasury notes, 1890, outstanding	560,012,217	551,190,299	542,523,668	543,664,036
Net cash in Treasury	$234,135,678	$231,543,818	$270,814,943	$301,815,512

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 August, and the highest and lowestduring the year 1898, by dates, and also, for comparison, the range of prices in 1897:

	Year 1897.		Highest and Lowest in 1898.		August, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	17	9⅛	18⅝—Feb. 7	10¼ Apr. 21	14½	13¼	13⅝
" preferred	35½	17	37½—Aug. 27	22⅞—Mar. 12	37½	34½	36¼
Baltimore & Ohio	21⅛	9	21¼—June 17	12⅜—Jan. 25	19⅛	14	19⅛
Bay State Gas	16¾	3⅞	5⅛—Jan. 21	2⅝—Mar. 21	4⅜	3⅜	3½
Brooklyn Rapid Transit	37⅝	18⅝	69¾—Aug. 22	35 —Mar. 12	69¾	57¼	64⅝
Canadian Pacific	82	46½	90½—Jan. 20	72 —Apr. 21	86½	83	86½
Canada Southern	62⅛	44½	57⅜—Feb. 5	44½—Mar. 12	56	53⅛	53¾
Central of New Jersey	103¼	68¼	98¼—Jan. 7	86½—Mar. 26	96	89	90½
Central Pacific	18	7½	22½—Aug. 31	11 —Apr. 23	22½	16½	21½
Ches. & Ohio vtg. ctfs	27⅛	15⅝	26 —Aug. 17	17¼—Mar. 26	26	22⅝	23¾
Chicago & Alton	170	140	166⅞—Jan. 14	150 —Mar. 14	159½	159½	159½
Chicago, Burl. & Quincy	102¼	69⅝	120 —Aug. 18	85⅞—Mar. 26	120	105¾	117
Chicago & E. Illinois	61	37¼	66 —June 1	49 —Apr. 19	62¾	57½	59¾
" preferred	103	95	113½—Feb. 1	102 —Jan. 7	109	107	109
Chicago Gas	108¾	73¼	....	....	....	....	....
Chicago, Great Western	20⅜	3⅝	18 —Aug. 22	9½—Feb. 24	18	15	16½
Chic., Indianapolis & Lou'ville	13	8	10⅜—Aug. 9	7 —Feb. 24	10⅜	9	9¾
" preferred	38¼	26	38½—July 27	23 —Apr. 16	38⅞	30½	33
Chic., Milwaukee & St. Paul	102	69¼	114½—Aug. 27	83¼—Apr. 21	114½	99⅞	112¾
" preferred	146	130½	159 —Aug. 22	140 —Apr. 25	159	152	157
Chicago & Northwestern	132½	101¾	136⅞—Aug. 23	113¼—Mar. 12	136⅞	131	135
" preferred	165½	153	175 —July 26	163 —Jan. 3	....	....	....
Chicago, Rock I. & Pacific	97¼	60¼	108⅜—June 1	80 —Mar. 25	107¼	96¼	105½
Chic., St. Paul, Minn. & Om	89½	47	87 —Aug. 17	65 —Mar. 12	87	83⅛	84½
" preferred	150⅝	133	155 —Feb. 28	148 —Jan. 5	155	154	155
Clev., Cin., Chic. & St. Louis	41½	21½	47½—Aug. 16	25 —Mar. 12	47½	41	42½
" preferred	86½	63	90½—Aug. 16	77½—Mar. 9	90½	86	90
Col. Coal & Iron Devel. Co	2	⅜	⅞—Jan. 28	¼—Apr. 7	½	½	½
Col. Fuel & Iron Co	27⅞	15¾	26⅝—Jan. 11	17 —Mar. 12	26⅝	19½	24
Col. Hocking Val. & Tol	18	1½	8¼—Feb. 10	4¾—July 30	6¾	4⅞	6
" preferred	46	14	27½—Feb. 10	17 —Jan. 7	23	23	23
Consolidated Gas Co	241½	136½	205½—June 9	167 —Mar. 26	201¾	184⅛	188½
Delaware & Hud. Canal Co	123	99⅝	114½—Feb. 3	103 —July 16	110	106¾	106¾
Delaware, Lack. & Western	164	146½	159 —Feb. 5	144¼—Apr. 21	152	150	151
Denver & Rio Grande	14¾	9¼	14⅝—Aug. 31	10 —Apr. 26	14⅝	13¼	14⅝
" preferred	50½	36	56⅛—Aug. 27	40 —Apr. 21	56⅛	50⅜	55¾
Edison Elec. Illum. Co., N. Y.	132½	101¾	135 —Jan. 20	119 —Apr. 8	133¾	130	132⅜
Erie	19	11½	16¼—Feb. 4	11 —Apr. 21	14¾	13¼	14¼
" 1st pref	46⅝	27	43⅜—Feb. 11	29¼—Apr. 22	39¼	35	38½
" 2d pref	25⅝	15½	21⅜—Feb. 11	15½—Apr. 22	20	18½	19¾
Evansville & Terre Haute	34	20	27¾—Aug. 30	22 —May 9	27¾	26	27¾
Express Adams	165	147¼	180 —Feb. 10	97¼—Apr. 29	110½	102	110
" American	119½	109½	140 —July 20	116 —Jan. 5	137	130	132½
" United States	48	37	45 —Feb. 9	38 —Apr. 14	44	41½	41½
" Wells, Fargo	120	97	125 —Aug. 31	112½—May 5	125	120	125
Great Northern, preferred	141	120	180 —June 30	122 —July 1	138½	129½	136
Illinois Central	110¾	91½	113½—Aug. 17	96 —Apr. 21	113½	107	111¾
Iowa Central	13¾	6	10½—Aug. 22	7¼—Mar. 18	10½	9⅜	10¼
" preferred	41¾	23	37⅞—Aug. 16	25 —Apr. 28	37⅞	32⅜	37
Laclede Gas	49¾	22	54⅜—Aug. 9	37½—Mar. 25	54⅜	50¼	50¼
" preferred	96	70¼	96¼—Aug. 8	85 —Mar. 12	96¼	93	96
Lake Erie & Western	22½	13	23½—Aug. 22	12½—Mar. 14	23½	14¾	18⅝
" preferred	79⅞	58¼	83 —Aug. 19	66 —Mar. 14	83	71¼	75
Lake Shore	181	152	198 —Aug. 4	170¾—Jan. 4	198	192	193
Long Island	55	38	59½—Aug. 10	40 —Jan. 20	59½	50½	57
Louisville & Nashville	63⅞	40½	60½—Jan. 31	44 —Apr. 21	60⅝	53½	58½
Manhattan consol	118	81¾	120¼—Jan. 14	91 —Mar. 26	108⅝	93⅞	95½
Metropolitan Street	133½	99¾	171½—Feb. 14	125¼—Mar. 26	168	149	167
Michigan Central	111⅞	90	114⅞—Feb. 8	99½—Mar. 12	109	107	108½
Minneapolis & St. Louis	31½	16	30⅞—Feb. 15	24 —Mar. 11	29½	28	28
" 1st pref	90	77¾	91 —June 27	84 —May 14	90¾	89½	90¾
" 2d pref	62¾	46	63 —June 8	46 —Mar. 26	61¾	59¼	60¾
Missouri, Kan. & Tex	16⅞	10	14¼—Jan. 26	10 —Apr. 13	12½	11	12⅜
" preferred	42	24¾	41 —Jan. 28	28¾—Mar. 12	37½	34¼	36

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1897.		Highest and Lowest in 1898.		August, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	40¼	10	38⅝—Aug. 11	22 —Mar. 12	38⅝	35⅝	36
Mobile & Ohio	32	18	32½—Feb. 7	24¾—Apr. 19	29	28½	28½
N. Y. Cent. & Hudson River	115⅛	92⅛	120½—Aug. 8	105 —Mar. 26	120⅛	117⅞	118⅛
N. Y. Chicago & St. Louis	17⅝	11	15⅝—Jan. 31	11⅝—Mar. 14	14¾	12¼	14¾
" 1st preferred	81⅛	67⅝	76 —Jan. 31	65 —May 10	76	76	76
" 2d preferred	43⅛	24	40¼—Jan. 29	28 —Mar. 25	38½	35	35
N. Y., New Haven & Hartf'd	186	160	196¼—Aug. 18	178¼—Jan. 7	196¼	190	194
N. Y., Ontario & Western	20⅛	12¾	18⅞—Feb. 2	13⅜—Apr. 25	16¼	15	15⅝
N. Y., Sus. & Western	20	6⅛	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	16½	15	15⅛
" preferred	48½	17	56¼—Feb. 7	42½—Mar. 12	56	53	54⅞
North American Co	6⅛	3⅝	7¼—Aug. 23	4¼—Jan. 15	7¼	6⅛	6¾
Northern Pacific tr. receipts	22⅜	11	41⅛—Aug. 26	19 —Feb. 24	41⅛	29¾	40⅝
" pref tr. receipts	61⅝	32⅛	78⅜—Aug. 31	56⅞—Mar. 12	78⅜	71¼	77⅝
Oregon Railway & Nav	41	10	61½—Aug. 22	35½—Jan. 7	61½	49	59
" preferred	73½	37⅞	77½—Aug. 31	65½—Mar. 29	77½	70⅛	77½
Oregon Short Line	23¾	10⅞	37¾—Aug. 27	19⅜—Jan. 8	37¾	31	36¼
Pacific Mail	39¼	24	35⅝—Aug. 22	21 —Apr. 21	35⅝	29⅝	34
Pennsylvania R. R	119	103⅛	120⅝—Feb. 7	110¾—Mar. 12	119⅞	116¾	119¼
Pitts., Cin. Chic. & St. Louis	30⅛	11½	47½—May 1	38⅞—Jan. 5	46½	42¾	43⅞
" preferred	70½	44⅛	71 —Feb. 7	57 —Mar. 23	66½	62½	66
Pullman Palace Car Co	185	152	216 —July 5	165 —Mar. 12	211	184	186½
Reading Voting Tr. ctfs	29¼	16¼	23⅝—Jan. 6	15½—Mar. 25	20	17⅛	18¾
" 1st prefered	57¾	38½	54⅛—Feb. 3	36 —Mar. 12	46	41¼	42⅞
" 2d preferred	35⅞	22½	29 —Jan. 6	18⅞—Mar. 26	23	20	21⅞
Rome, Wat. Ogdens' g	122½	117	12. —Aug. 31	116¼—Mar. 26	125	124	125
St. Louis & San Francisco	9	4	9 —Aug. 25	6 —Mar. 26	9	7⅛	8⅛
" 1st preferred	59⅝	37	68¼—Aug. 22	52½—Mar. 12	68¼	62	66¾
" 2d preferred	27½	12	34⅞—Aug. 24	22½—Feb. 24	34⅞	29	33½
St. Louis & Southwestern	7	1	6¼—Aug. 10	3¾—Jan. 24	6¼	5⅛	5¾
" preferred	14⅝	3½	14⅛—Aug. 18	7¾—Mar. 12	14⅛	11½	13
St. Paul & Duluth	30	20	27 —Aug. 11	18⅛—July 6	27	21	24¾
" preferred	87½	75	90 —Aug. 3	78 —Apr. 20	90	87	90
St. Paul, Minn. & Manitoba	125	114	171 —Aug. 26	123⅞—Jan. 12	171	161	168
Southern Pacific Co	23⅛	13½	23¾—Aug. 26	12 —Apr. 13	23¾	20	22¼
Southern Railway	12¼	7	10 —Aug. 23	7 —Apr. 21	10	8¾	9¾
" preferred	33⅝	22⅞	36⅞—Aug. 27	23⅝—Mar. 26	36⅞	31¼	36¼
Tennessee Coal & Iron Co	35⅛	17	34½—Aug. 22	17 —Mar. 12	34½	25⅛	31¾
Texas & Pacific	15	8	16¾—Aug. 24	8⅞—Mar. 12	16¾	12⅝	15⅝
Union Pacific trust receipts	27¾	4⅛	36½—Feb. 1	16⅛—Mar. 25	34½	23¾	34
Union Pac., Denver & Gulf	11⅜	1	10¼—Feb. 18	5¼—July 28	6¼	4⅛	5⅝
Wabash R. R	9¾	4⅝	9⅛—Aug. 31	4½—Aug. 3	9⅛	7⅛	9
" preferred	24⅜	11½	24¼—Aug. 31	14¼—Mar. 7	24¼	19⅛	23¾
Western Union	96¾	77¼	95⅞—Aug. 17	82¼—Mar. 26	95⅞	92½	93¾
Wheeling & Lake Erie	6½	½	3¾—Jan. 11	¾—July 22	2⅞	1⅝	2⅝
" preferred	29	2⅝	16 —Jan. 12	8 —July 9	15⅛	12	14⅞
Wisconsin Central	4⅜	1	3⅞—Jan. 17	⅞—Jan. 6	2¼	1⅞	2¼
"INDUSTRIAL" STOCKS:							
American Co. Oil Co	26⅞	9¼	39¾—Aug. 26	15½—Mar. 25	39¾	24¼	37⅞
" preferred	80½	52¼	90⅝—Aug. 22	66 —Mar. 14	90⅝	85½	89
American Spirits Mfg Co	15⅞	6⅛	15⅛—June 9	6½—Jan. 20	15⅛	12¼	14
" preferred	36	15	41¼—Aug. 25	16 —Mar. 26	41¾	36	40
American Sugar Ref. Co	159½	109⅛	146⅞—Aug. 26	107½—Mar. 26	146⅞	137	143⅞
" preferred	121½	100¼	116 —Jan. 6	103 —Mar. 25	115½	113⅞	114¾
American Tobacco Co	96⅜	67½	147 —Aug. 26	83¾—Jan. 24	147	121½	144¾
" preferred	115	100	135½—Aug. 26	112¼—Mar. 26	135½	129	135½
General Electric Co	41⅜	28⅝	42¾—Aug. 31	29¼—Mar. 12	42¾	39⅝	42¼
National Lead Co	44	21⅞	39⅝—Aug. 23	26¼—Mar. 26	39⅝	36½	37½
" preferred	100¾	88⅜	113½—Aug. 16	99 —Apr. 22	113½	110⅛	111
National Linseed Oil Co	23½	10	21⅞—May 23	4 —July 28	9	5½	5½
National Starch Manfg. Co	13	3	9 —Feb. 10	5 —Apr. 25	8	6½	8
Standard Rope & Twine Co	11¾	2¾	10⅛—Aug. 5	3¼—Jan. 3	10⅛	5	8⅝
U. S. Leather Co	10¼	6¼	8⅞—May 24	5¼—Apr. 25	8¾	7	7½
" preferred	72	50⅛	74½—Aug. 22	53¾—Mar. 26	74½	68¼	72¼
U. S. Rubber Co	25¼	10	48½—Aug. 17	14¼—Mar. 12	48½	36½	44⅞
" preferred	76⅞	50	109¼—Aug. 17	60 —Mar. 12	109¼	96	105¾

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.	August Sales. High.	August Sales. Low.	August Sales. Total.
Ala. Midland 1st gold 6s	1928	2,800,000	M & N	93⅛	Aug. 31, '98	93⅛	92¾	26,000
Ann Arbor 1st g 4's	1995	7,000,000	Q J	88	Aug. 29, '98	89	86⅞	44,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	120,859,000	A & O	94⅛	Aug. 31, '98	96⅛	94⅜	3,065,500
" registered			A & O	93⅞	July 1, '98	....	....	....
" adjustment, g. 4's	1995	51,728,000	NOV	71⅛	Aug. 31, '98	73¼	70⅝	6,152,000
" 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	99¼	Aug. 9, '98	99¼	98	16,000
B. & O. 1st 6's (Parkersburg br.)	1919	3,000,000	A & O	114⅛	Aug. 17, '98	114¾	113	112,000
" Trust Co. cfs. of dep.				113¾	Aug. 19, '98	114	113¾	23,00
" g. 5's	1885–1925			118⅛	Aug. 11, '98	118⅛	116⅞	24,000
" coupons off						....	....	....
" registered		10,000,000	F & A	111¼	Aug. 1, '98	111¼	111¼	8,000
" Speyer & Co. eng. cf. dep.						....	....	....
" Trust Co. cfs. of dep.				113	Aug. 30, '98	113¾	111¼	270,000
" con. g. 5's	1988			117⅛	Aug. 12, '98	117⅛	116½	53,00
" registered		11,988,000	F & A	116	Aug. 22, '98	116¾	115½	5,000
" J.P.M. & Co. cfs. dep'it				114¼	July 29, '98	....	....	....
" Trust Co. cfs. of dep.				116⅛	Aug. 10, '98	116⅛	116⅛	8,000
" bonds of loan of 1853 ext. to 1935 at 4% Tr. Co. cfs.		1,161,000	A & O			....	....	....
" sterling 6% loan of 1872 due 1902 Trust Co. cfs.		£1,921,800	M & N			....	....	....
" sterling 6% loan of 1874 due 1910 Trust Co. cfs.		£1,990,600	M & N			....	....	....
" 4½% terml. bonds Trust Co. cfs.	1894	8,500,000	J & D			....	....	....
" sterling 4½% loan of 1883 (Philadelphia Branch).		£2,400,000	A & O			....	....	....
" ster. 5% loan of 1877 due 1927 (B. & O. & Chic.) Tr. Co. cfs.		£1,382,200	J & D			....	....	....
Balti. Belt, 1st g. 5's int. gtd.	1990	6,000,000	M & N	100	Aug. 15, '88	101	100	37,000
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	104½	Aug. 5, '98	104½	104½	5,000
Colo. & Cin. Midl'd 1st ext 4½'s	1939	2,000,000	J & J	92½	Aug. 30, '92	....	....	....
Ak. & Chic. Junc. 1st g. int. g. 5's	1930			102½	Nov. 21, '95	....	....	....
" coupons off		1,500,000	M & N	105	Aug. 9, '98	105	104	11,000
" Tr. Co. cfs. of dep.						....	....	....
Pittsb. & Connellsville 1st g. 4's	1946	2,536,000	J & J	107¼	July 28, '98	....	....	....
" Trust Co. cfs. of dep.						....	....	....
" 1st 7% bds 1898 Tr. Co. cfs.		1,419,000	J & J			....	....	....
" con. 6% bonds Tr. Co. cfs.		£1,315,000	J & J			....	....	....
B & O. Southwest'n 1st g. 4½'s	1990	10,667,000	J & J	102	Aug. 22, '98	102½	102	85,000
" 1st c. g. 4½'s	1993	10,511,000	J & J	102½	July 7, '98	....	....	....
" 1st inc. g. 5's ser. "A"	2043	8,651,000	NOV	27½	June 8, '98	....	....	....
" "B"	2043	9,655,000	DEC	9	June 6, '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	105	Aug. 23, '98	105	104	109,000
" 2d con. 7's	1911	2,952,000	A & O	122½	July 12, '98	....	....	....
" 1st Spr'gfield div. 7's	1905	1,984,000	M & N	107½	Aug. 23, '98	108	105⅛	70,000
" 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	112	July 1, '98	....	....	....
Brooklyn E. Tr. Co. cfs 1st g. 6s's	1924	3,464,000	......	94	Aug. 30, '98	94¼	91	191,000
" Tr. Co. ctfs. 2d g. 5's	1915	1,246,000	......			....	....	....
" all instal. paid			......	86	June 27, '98	....	....	....
Seas. & B. B. Tr. Co. cfs. 1st g. g. 5's	1942	1,357,000	......	70⅛	Dec. 14, '97	....	....	....
" all instal. paid			......			....	....	....
Union Ele. Tr. Co. ctfs. 1st g. g. 6's	1937	6,124,000	......	93¾	Aug. 24, '98	94	90⅛	268,000

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.	August Sales. High.	August Sales. Low.	August Sales. Total.
Brooklyn Rapid Transit g. 5's...	1945	6,398,000	A & O	105⅛	Aug.31,'98	106	103⅛	401,000
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	107½	Aug.30,'98	108	106⅛	27,000
" 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	Aug.31,'98	124¾	123	6,000
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	107	Aug.29,'98	107½	106¾	20,000
" con. 1st & col. tst 5's...	1934	6,425,000	A & O	107	July 29,'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	....	....	....
Canada Southern 1st int. gtd 5's,	1908	13,920,000	J & J	109⅞	Aug.25,'98	109⅞	108½	88,000
" 2d mortg. 5's,............	1913	5,100,000	M & S	109⅝	Aug.30,'98	110	109⅝	23,000
" registered..................			M & S	106½	May 22,'97	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1937	4,880,000	M & N	92½	June 30,'98	....	....	....
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	114½	June 3,'98	....	....	....
" registered $1,000 & $5,000....			F & A	....		....	....	....
" con. g. 5's..............	1945	16,500,600	M & N	90⅛	Aug.31,'98	91	89½	1,202,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	....		....	....	....
" 1st. pref. inc. g. 5's,.....	1945	4,000,000	OCT 1	41½	Aug.31,'98	43	39	560,000
" 2d pref. inc. g. 5's.......	1945	7,000,000	OCT 1	14	Aug.19,'98	14¼	12⅞	103,000
" 3d pref. inc. g. 5's.......	1945	4,000,000	OCT 1	6⅛	Aug.22,'98	6½	5½	22,000
" 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	99	July 6,'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	108	Aug. 9,'98	108	108	5,000
" convertible 7's........	1902	1,167,000	M & N	112½	Dec. 3,'97	....	....	....
" deb. 6's................	1908	466,000	M & N	110	July 21,'98	....	....	....
" gen. g. 5's..........	1987	43,924,000	J & J	114	Aug.30,'98	114¼	112¼	83,000
" registered..............			Q J	113¼	Aug.23,'98	113½	112½	29,000
Lehigh & W.-B. con. assd. 7's...	1900	5,500,000	Q M	101⅜	Aug.31,'98	103	100½	140,000
" mortgage 5's..........	1912	2,691,000	M & N	91	July 20,'98	....	....	....
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	113⅝	Aug.18,'98	113⅝	113⅝	1,000
N. J. Southern int. gtd 6's......	1899	411,000	J & J	104	Nov. 13,'96	....	....	....
Cen. P. Speyer & Co. cfs. ex g. 5's A.	1898	3,210,000	......	102	July 14,'98	....	....	....
" B C D..................	1899		......	103	Feb. 18,'98	....	....	....
" E......................	1898		J & J	101¾	May 5,'98	....	....	....
" F G H I..................	1901		......	....		....	....	....
" San Joaquin br. g 6's..	1900	6,080,000	A & O	102½	June 17,'98	....	....	....
" 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	102	Mar. 19,'98	....	....	....
" 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	104	June 29,'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	103¼	Aug.30,'98	103½	103	133,000
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 6's, g., Series A......	1908	2,000,000	A & O	119	July 27,'98	....	....	....
" Mortgage gold 6's......	1911	2,000,000	A & O	120½	Aug. 2,'98	120½	120½	100,000
" 1st con. g. 5's............	1939	25,858,000	M & N	116	Aug.31,'98	116	115	116,000
" registered..................			M & N	114	Feb. 7,'98	....	....	....
" Gen. m. g. 4½'s.........	1992	23,722,000	M & S	89⅞	Aug.31,'98	90	84⅛	2,637,000
" registered..................			M & S	85	Dec. 30,'93	....	....	....
" (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	104	Aug.31,'98	105	104	30,000
" 2d con. g. 4's............	1989	1,000,000	J & J	90	Aug. 1,'98	90	90	15,000
" Craig Val. 1st g. 5's.....	1940	650,000	J & J	95⅛	May 27,'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	103¼	Aug.30,'98	103½	103¼	11,000
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	108	June 15,'98	....	....	....
" 2d 7's..................	1900	300,000	M & N	107	July 20,'98	....	....	....
Miss. Riv. Bdge 1st s. f'd g. 6's..	1912	512,000	A & O	105⅛	Oct. 30,'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.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
Chicago, Burl. & Quincy con. 7's	1903	28,924,000	J & J	116	Aug. 2,'98	116	115¼	17,000
• 5's, sinking fund	1901	2,315,000	A & O	105	Aug.24,'98	105	103½	19,000
• 5's, debentures	1913	9,000,000	M & N	110½	Aug.31,'98	110	107½	107,000
• convertible 5's	1903	15,263,900	M & S	119¾	Aug.30,'98	121⅛	112½	801,500
• (Iowa div.) sink. f'd 5's,	1919	2,818,000	A & O	111	Aug.23,'98	111	111	2,000
• 4's	1919	9,050,000	A & O	102	Aug.26,'98	102	102	4,000
• Denver div. 4's	1922	5,959,000	F & A	101¼	Aug.26,'98	101¼	100⅛	29,000
• 4's	1921	3,200,000	M & S	100	Aug. 6,'98	100	100	8,000
• Chic. & Iowa div. 5's	1905	2,320,000	F & A	107½	Jan. 18,'98	....	....	....
• Nebraska extensi'n 4's,	1927	26,110,000	M & N	100½	Aug.31,'98	101¼	100	62,000
• registered			M & N	97	May 9,'98	....	....	....
• Han. & St. Jos. con. 6's,	1911	8,000,000	M & S	123	Aug.24,'98	123	123	23,000
Chic. Burl. & Northern, 1st 5's	1926	8,241,000	A & O	110½	Aug.11,'98	110½	110½	1,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	114⅛	July 15,'98	....	....	....
• small bonds			J & D	112	Apr. 2,'96	....	....	....
• 1st con. 6's, gold	1934	2,653,000	A & O	132	Aug.26,'98	132	132	2,000
• gen. con. 1st 5's	1937	9,767,000	M & N	108	Aug.31,'98	108	107⅛	23,000
• registered			M & N	106¼	June 7,'98	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	103	Aug.19,'98	103	103	1,000
Chicago, Indianapolis & Louisville.								
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	115½	June 10,'98	....	....	....
Chic. Ind. & Louisv. ref. g. 5's	1947	3,018,000	J & J	92	Aug.24,'98	92	91	14,000
• refunding g. 6's	1947	4,700,000	J & J	107	Aug.23,'98	107	105⅛	5,000
Chicago, Milwaukee & St. Paul.								
Mil. & St. Paul 1st 7's $ g, R.d.	1902	3,040,000	J&J	147	Aug. 6,'98	147	147	3,000
• 1st 7's £	1902		J&J	120	Feb. 8,'94	....	....	....
• 1st m. Iowa & D. 7's	1899	285,000	J & J	145	July 19,'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	156	Aug.22,'98	156	156	32,000
• 1st 7's, Iowa & D, ex,	1908	3,339,000	J & J	151½	Aug.30,'98	151½	148	85,000
• 1st 6's, Southw'n div.,	1909	4,000,000	J & J	117	Aug.10,'98	117	117	5,000
• 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	120	Aug.10,'98	120	120	4,000
• 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	128	Aug.15,'98	129½	128⅛	4,000
• 5's	1910	990,000	J & J	109	Oct. 5,'97	....	....	....
• Chic. & Pac. div. 6's,	1910	3,000,000	J & J	118½	July 19,'98	....	....	....
• 1st Chic. & P. W. 5's,	1921	25,340,000	J & J	117¼	Aug.26,'98	117½	116⅝	52,000
• Chic. & M. R. div. 5's,	1926	3,083,000	J & J	114½	Aug.12,'98	114½	114½	3,000
• 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	114	June 8,'98	....	....	....
• terminal 5's	1914	4,748,000	J & J	113	July 18,'98	....	....	....
• 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	112	Aug.22,'98	112	111	5,000
• g. m. g. 4's, series A	1989	23,676,000	J & J	105¼	Aug.31,'98	106⅛	105¼	245,000
• 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	121	Aug. 1,'98	121	121	5,000
Chic. & Northwestern cons. 7's	1915	12,771,000	Q F	142½	Aug.16,'98	142½	142½	2,000
• coupon gold 7's	1902	10,721,000	J & D	115	Aug.19,'98	115	114⅝	5,500
• registered d. gold 7's	1902		J & D	114⅝	Aug. 8,'98	114⅝	114⅝	3,000
• sinking fund 6's	1879–1929	5,591,000	A & O	124½	Aug.26,'98	124½	119	21,000
• registered			A & O	115	July 13,'98	....	....	....
• 5's	1879–1929	7,237,000	A & O	111	Aug.18,'98	111	110	11,000
• registered			A & O	107⅛	July 13,'98	....	....	....
• debenture 5's	1933	9,800,000	M & N	119	Aug.23,'98	119	119	1,000
• registered			M & N	117	Mar. 8,'98	....	....	....
• 25 year deben. 5's	1909	6,000,000	M & N	109½	Aug.30,'98	110	109	11,000
• registered			M & N	109½	Mar. 19,'97	....	....	....
• 30 year deben. 5's	1921	10,000,000	A & O	116	Aug.26,'98	116	115½	56,000
• registered			A & O	107	Nov. 20,'95	....	....	....
• extension 4's	1886–1926	18,632,000	F A 15	105¼	Aug.23,'98	106	105¼	6,000
• registered			F A 15	103	June 10,'96	....	....	....
• gen. g. 3½'s	1987	6,000,000	M & N	103⅛	Aug.27,'98	103⅛	102¾	180,000
• • registered			Q F	....		....	....	....
Escanaba & L. Superior 1st 6's	1901	455,000	J & J	107¾	May 26,'98	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Iowa Midland 1st mortg. 8's	1900	1,099,000	A & O	116	July 9,'96	....	....	....
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	136¼	Aug.22,'98	136¼	135⅛	9,000
• con. deb. 5's	1907	436,000	F & A	105½	Feb. 24,'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.	August Sales. High.	August Sales. Low.	August Sales. Total.
″ ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	116	Aug. 31, '98	118	116	6,000
″ 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 19, '98	....	....	....
″ income	....	500,000	M & N	112	Apr. 27, '96	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,100,000	J & J	131	Aug. 16, '98	131	131	1,000
″ 6's registered	1917		J & J	130	Aug. 12, '98	130	130	5,000
″ debenture 5's	1921	1,950,000	M & S	107⅛	July 22, '98	....	....	....
″ registered	....	....	M & S	....	....	....	....	....
″ gen. g. 4's	1988	45,023,000	J & J	104⅝	Aug. 30, '98	105½	104	1,394,000
″ registered	....		J & J	105⅛	Aug. 13, '97	105⅛	104⅞	92,000
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	94	Aug. 17, '98	94	94	12,000
″ 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	108½	Aug. 25, '98	108½	108½	1,000
″ small bond	1923	....	A & O	100	Apr. 15, '97	....	....	....
Chic., St.P., Minn. & Oma. con. 6's	1930	13,749,000	J & D	136	Aug. 26, '98	136½	135½	14,000
Chic., St. Paul & Minn. 1st 6's	1918	2,664,000	M & N	135	Aug. 12, '98	135	134	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	132	Aug. 15, '98	132	132	10,000
Chic., Term. Trans. R. R. g. 4's	1947	13,000,000	J & J	90	Aug. 31, '98	90¾	86¼	516,000
Chic. & Wn. Ind. 1st s'k. f'd g. 6's	1919	878,000	M & N	106	June 22, '98	....	....	....
″ gen'l mortg. g. 6's	1932	9,868,000	Q M	120½	Aug. 30, '97	120½	120	50,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	98½	Mar. 13, '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	Aug. 24, '98	111	110	12,000
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	......	70	Aug. 19, '98	70	70	2,000
Clev., Cin., Chic. & St. L. gen. m. 4's	1993	7,574,000	J & D	82	June 29, '98	....	....	....
″ do Cairo div. 1st g. 4's	1939	5,000,000	J & J	90¾	Aug. 31, '98	90¾	88	41,000
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	99¾	Aug. 31, '98	100	98⅝	87,000
″ 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	87	Aug. 31, '98	87	87	1,000
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	90½	Aug. 29, '98	90½	90	9,000
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,685,000	Q F	99½	May 26, '98	....	....	....
″ registered	....			95	Nov. 15, '94	....	....	....
″ con. 6's	1920	781,000	M & N	107½	June 30, '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	79	Aug. 29, '98	80	76	241,000
″ income 4's	1990	4,000,000	A	20½	Aug. 29, '98	20½	17	45,000
Clev., C., C. & Ind. 1st 7's s'k. f'd.	1899	3,000,000	M & N	104	Aug. 23, '98	104	104	5,000
″ consol mortg. 7's	1914	3,991,000	J & D	135½	July 26, '98	....	....	....
″ 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	....	....	....
″ 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	May 10, '98	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	106	Apr. 14, '97	....	....	....
″ registered	....		Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 2-3-4's	1947	6,250,000	J & J	58	Aug. 31, '98	65	57	112,000
″ 1st g. 4's	1947	861,000	J & J	68½	Aug. 31, '98	68½	65	90,000
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	......	82¼	Aug. 26, '98	82½	79	152,000
″ 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	126	July 23, '98	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	140	Aug. 16, '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	107	Aug. 31, '98	107	107	1,000
″ 1st c. gtd 7's	1915	12,151,000	J & D	139	June 2, '98	....	....	....
″ registered	....		J & D	136	June 4, '98	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	136⅝	July 8, '98	....	....	....
″ const. 5's	1923	5,000,000	F & A	118½	Nov. 17, '97	....	....	....
Warren 2d 7's	1900	750,000	A & O	108	Aug. 1, '95	108	108	1,000

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	145	Aug.11,'98	145	145	10,000
" reg.	1917		M & S	143	May 4,'96	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	125	Aug.31,'98	125	123	8,000
" registered			A & O	128⅛	Feb. 12,'94	....	....	....
" 6's	1906	7,000,000	A & O	115	June 21,'98	....	....	....
" 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	141	May 6,'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	918,000	J & J	....	....	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	28,465,000	J & J	97⅞	Aug.30,'98	98⅛	95⅛	318,000
" 1st mortg. g. 7's	1900	6,382,500	M & N	111¼	Aug.30,'98	111¾	111	68,000
" impt. m. g. 5's	1928	8,103,500	J & D	94⅝	Aug.25,'98	94¾	94⅛	24,000
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	99¾	June 6,'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	6,734,000	A & O	106⅞	Aug.31,'98	106⅞	105⅛	182,000
" registered			A & O	101⅛	July 23,'89	....	....	....
" 2d l m 6s	1916	2,000,000	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	112¼	Aug.29,'98	112¼	112	10,000
Erie, 1st mortgage ex. 7's	1897	2,482,000	M & S	113	July 26,'98	....	....	....
" 2d extended 5's	1919	2,149,000	M & N	119⅛	Aug. 2,'98	119⅛	119⅛	1,000
" 3d extended 4½'s	1923	4,618,000	M & S	113	Aug.22,'98	113	113	1,000
" 4th extended 5's	1920	2,926,000	A & O	117	June 28,'98	....	....	....
" 5th extended 4's	1928	709,500	J & D	104⅛	June 3,'98	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	145	Aug.17,'98	145	144	3,000
" 1st cons. fund c. 7's	1920	3,705,977	M & S	141	June 25,'98	....	....	....
Long Dock consol. 6's	1953	7,500,000	A & O	138	Aug.24,'98	138	138	1,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	133	June 6,'98	....	....	....
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	104¼	June 8,'98	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	112⅛	Aug.30,'98	113¼	112⅛	43,000
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	93⅝	Aug.31,'98	94⅛	92	2,072,000
" registered			J&J	....	....	....	....	....
" gen. lien 3-4s	1996	30,927,000	J&J	73½	Aug.31,'98	76	73¼	931,000
" registered			J&J	....	....	....	....	....
N.Y., Sus. & W. 1st refdg. g. 5's	1937	3,750,000	J & J	108	Aug.29,'98	108	107	2,000
" 2d g. 4½'s	1937	453,000	F & A	92⅛	Aug.25,'98	92⅛	92	9,000
" gen. g. 5's	1940	2,547,000	F & A	89¾	Aug.31,'98	90	89	118,000
" term. 1st g. 5's	1943	2,000,000	M & N	109⅞	July 25,'98	....	....	....
" registered......$5,000 each			M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	100	Aug.23,'98	100	99⅛	41,000
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	120¾	Aug. 6,'98	120¾	120¾	10,000
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	114	July 20,'98	....	....	....
" 1st General g 5's	1942	2,223,000	A & O	87⅛	Aug.31,'98	87⅛	85	88,000
" Mount Vernon 1st 6's	1923	375,000	A & O	110	May 10,'98	....	....	....
" 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	85	Aug.31,'98	88	80	25,000
Flint & Pere Marquette m 6's	1920	3,999,000	A & O	117	Aug.26,'98	117¼	117	13,000
" 1st con. gold 5's	1939	2,100,000	M & N	95	Aug.30,'98	95	94	60,000
" Port Huron d 1st g 5's	1939	3,083,000	A & O	95⅛	Aug.30,'98	95¾	93	24,000
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	......	77¼	Aug.30,'98	79¾	73¾	1,018,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	62	Aug.29,'98	64	61½	263,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	96	Aug.23,'98	96	93	58,000
Geo. & Ala. Ry. 1st pref. g. 5's	1945	2,230,000	A & O	88	July 18,'98	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	92	July 8,'98	....	....	....

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	August Sales. High.	August Sales. Low.	August Sales. Total.
Houston E. & W. Tex. 1st g 5's	1933	2,700,000	M & N	94¼	Aug.31,'98	94⅝	92½	99,000
Illinois Central 1st g. 4's 1894 total outstanding $13,950,000								
" 1st g. 4's	1894–1951	1,500,000	J&J	109½	Aug. 8,'98	109½	109½	1,000
" registered			J&J	109½	July 28,'98	....	....	....
" 1st 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,'98	....	....	....
" registered			M & S	....	....	....	....	....
" col. trust 2–10 g. 4's	1904	4,806,000	A & O	102¼	July 29,'98	....	....	....
" col. tr. 2–10 g.4's rgst'd			A & O	103	Apr. 15,'98	....	....	....
" collat. trust gold 4's	1952	15,000,000	M & N	101¾	July 18,'98	....	....	....
" regist'd			M & N	101	Mar. 19,'98	....	....	....
" col.t.g.4sL.N.O.&Tex.	1953	24,679,000	J & J	101¼	Aug.30,'97	102	101¼	26,000
" registered			J & J	....	....	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	103¼	Aug. 8,'98	103¼	103¼	1,000
" registered			F & A	....	....	....	....	....
" Louisville div.g. 3½'s.	1953	14,320,000	J & J	94⅝	Aug. 6,'98	94⅝	93½	33,000
" registered			J & J	....	....	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	80	Aug.25,'98	80	80	10,000
" registered			J & J	....	....	....	....	....
" g. 3½'s	1951	6,321,0 0	J & J	94⅝	Aug.13,'98	94⅝	93¾	82,000
" registered			J & J	....	....	....	....	....
" 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	....	....	....
" Sp'gfield div 1st g 3½'s,	1951	2,000,000	J & J	....	....	....	....	....
" registered			J & J	....	....	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	123	Aug.13,'98	123	123	6,000
" gold 5's, registered			J D 15	118¼	Apr. 1,'97	....	....	....
" g. 3½'s	1951	1,352,000	J D 15	....	....	....	....	....
" registered			J D 15	....	....	....	....	....
" Memph. div. 1st g. 4's,	1951	3,500,000	J & D	108½	Jan. 24,'98	....	....	....
" 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	101½	Aug.10,'98	102	101½	10,000
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	120½	Aug.19,'98	121	120½	8,000
" 2d g. 5's	1909	6,593,000	M & S	90¼	Aug.31,'98	92	89½	71,000
" 3d g. 4's	1921	2,718,000	M & S	58⅛	Aug.27,'98	58⅛	58⅛	25,000
Iowa Central 1st gold 5's	1938	6,572,000	J & D	105	Aug.18,'98	105	103	110,000
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	22,578,000	A & O	78	Aug.31,'98	78½	74	578,000
Kings Co. El. series A. 1st g. 5's	1925	3,177,000	J & J	57¼	Aug.23,'98	57½	56	23,000
Fulton El. 1st m. g. 5's series A	1929	1,979,000	M & S	49	July 9,'98	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	116	Aug.26,'98	117	116	6,000
" 2d mtge. g. 5's	1941	2,600,000	J & J	104	Aug.26,'98	104	101¾	161,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	101	Aug.18,'98	101	101	4,000
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	1,041,000	A & O	104¾	Aug.13,'98	104¾	104¾	6,000
" **con. co. 1st 7's**	1900	9,529,000	J&J	105⅝	Aug.17,'98	105⅝	105½	13,000
" **con. 1st registered**	1900		Q J	105½	July 19,'98	....	....	....
" **con. co. 2d 7's**	1903	8,986,000	J&D	117	Aug.31,'98	117	116	7,000
" **con. 2d registered**	1903		J&D	11[illegible]¾	June 16,'98	....	....	....
" **g 3½s**	1997	27,412,000	J & D	106¼	Aug.24,'98	106¼	104½	110,000
" " **registered**			J & D	105¾	Aug.16,'98	105¾	105¾	30,000
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	104	Aug. 8,'98	104	104	5,000
" **registered**			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	102	Aug.12,'98	102	102	1,000
" **registered**		....	J&J	....	....	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	111	Aug.31,'98	112	111	11,000
" **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	....	....	....	....	....

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Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	91	Aug.10,'98	91	91	4,000
" 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 1st cons. 5's	1931	3,610,000	Q J	118	July 12,'98	....	....	....
" 1st con. g. 4's	1931	1,121,000	Q J	....		....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	90	June 23,'98	....	....	....
" 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,'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	40	Aug.10,'98	40	38	30,000
" 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	122¾	Aug.12,'98	122¾	122	12,000
" 2d 6's	1930	1,000,000	J & J	108	Aug. 2,'98	108	108	1,000
" E., Hend. & N. 1st 6's	1919	2,030,000	J & D	115	Aug.19,'98	115	115	1,000
" general mort. 6's	1930	10,058,000	J & D	119	Aug.17,'98	119	118¼	8,000
" 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	105	July 20,'98	....	....	....
" So. & N. Ala. si'g fd. 6s	1910	1,942,000	A & O	92½	Sept.30,'96	....	....	....
" con. gtd. g. 5's	1936	3,673,000	F & A	100½	Aug.16,'98	100½	100½	5,000
" gold 5's	1937	1,764,000	M & N	104½	Aug.18,'98	104½	104½	5,000
" Unified gold 4's	1940	14,994,000	J & J	89⅝	Aug.31,'98	91¼	88¾	200,000
" registered	1940		J & J	83	Feb. 27,'93	....	....	....
" Pen. & At. 1st 6's, g. g.	1921	2,753,000	F & A	103½	Aug. 2,'98	103½	103½	40,000
" collateral trust g. 5's	1931	5,129,000	M & N	104	Aug.20,'98	104¼	103½	62,000
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	109½	July 18,'98	....	....	....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	97	Aug.24,'98	97	97	6,000
Kentucky Cent. g. 4's	1987	6,742,000	J & J	91	Aug.11,'98	91	91	2,000
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	95	Aug.31,'98	97	95¼	144,000
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	117¼	Aug.29,'98	117¼	116½	46,000
" 2d 6's	1899	4,000,000	M & N	103½	Aug.16,'98	103½	102¾	19,000
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	118¼	Aug.29,'98	114	112¾	172,000
B'way & 7th ave. 1st con. g. 5's	1997	7,650,000	J & D	120¾	Aug.19,'98	120¾	120¾	30,000
" registered			J & D	112½	May 29,'98	....	....	....
Columb. & 9th ave. 1st gtd g 5's	1993	3,000,000	M & S	122½	Aug.26,'95	122½	121½	23,000
" registered			M & S	....		....	....	....
Lex ave & Pav Fer 1st gtd g 5's	1993	5,000,000	M & S	120	July 1,'98	....	....	....
" registered			M & S	....		....	....	....
Mexican Central. con. mtge. 4's	1911	59,011,000	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	78¼	Aug.31,'98	78	76¾	235,000
Mexican Nat. 1st gold 6's	1927	11,416,000	J & D	90	Mar. 6,'95	....	....	....
" 2d inc. 6's "A" 1917 coup. due		12,265,000	M & S	42⅝	Nov. 12,'96	....	....	....
March 1, 1889, stamped 1% paid				....		....	....	....
" 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	1,318,000	J & D	97	Feb. 11,'97	....	....	....
• registered			J & D	....	....	....	....	....
Michigan Cent. 1st con. 7's	1902	8,000,000	M & N	115	Aug.19,'98	115	115	7,000
• 1st con. 5's	1902	2,000,000	M & N	105¼	Aug.16,'98	105¼	105¼	2,000
• 6's	1909	1,500,000	M & S	122	Feb. 25,'98	....	....	....
• coup. 5's	1931	3,576,000	M & S	121¼	June 21,'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	108	Aug.31,'98	108	107	45,000
• 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	Aug.31,'98	92⅛	89½	986,000
• 2d mtge. g. 4's	1990	20,000,000	F & A	65⅝	Aug.31,'98	66¼	63½	2,079,500
• 1st ext gold 5's	1944	998,000	M & N	88	Aug. 9,'98	88	88	10,000
• of Texas 1st gtd g. 5's	1942	2,685,000	M & S	87½	Aug.31,'98	89	84¾	143,000
• Kan. C. & P. 1st g. 4's	1990	2,500,000	F & A	75¾	Aug.31,'98	76	72	94,000
• Dal. & Waco 1st g.g. 5's	1940	1,340,000	M & N	84	Aug.25,'98	84	83	6,000
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	102	Aug.31,'98	102	99½	81,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	106	Aug.30,'98	107¼	104⅝	734,000
• 3d mortgage 7's	1906	3,828,000	M & N	111½	Aug. 5,'98	112	111	5,000
• trusts gold 5's	1917	14,376,000	M & S	86¼	Aug.29,'98	87½	80	483,000
• registered			M & S	....	....	....	....	....
• 1st collateral gold 5's	1920	7,000,000	F & A	80	Aug.26,'98	80	77	189,000
• registered			F & A	....	....	....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	103¾	Aug. 5,'98	103¾	103¾	10,000
• 2d extended g. 5's	1938	2,573,000	F & A	107¼	Aug.24,'98	107¼	107¼	17,000
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	107	Aug.29,'98	107	107	1,000
• 2d. ext. g. 5's	1946	6,000,000	M & N	107½	July 28,'98	....	....	....
• Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	105¼	July 25,'98	....	....	....
• g. con. R.R. & l. gr. 5's	1931	18,274,000	A & O	98½	Aug.30,'98	100½	98½	394,000
• stamped gtd gold 5's	1931	6,945,000	A & O	100	Aug.10,'98	100	100	10,000
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	122	Aug.27,'98	122	122	2,000
• 1st entension 6's	1927	974,000	J & D	119	Dec. 6,'97	....	....	....
• gen. g. 4's	1938	9,547,000	Q J	81	Aug.31,'98	81	78	411,500
• Montg'rydiv.1st g.5's	1947	4,000,000	F & A	102	Aug.31,'98	102	98½	79,000
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	131½	Aug.19,'98	131	129	33,000
• 2d 6's	1901	1,000,000	J & J	105¾	Nov. 9,'97	....	....	....
• 1st cons. g. 5's	1928	6,213,000	A & O	104¾	Aug.29,'98	104¾	103	60,000
• 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	23,186,000	J & J	117	Aug.31,'98	117	115¾	84,000
" 1st registered	1903		J & J	115¾	Aug.24,'98	115¾	115¾	5,000
" debenture 5's	1904	6,873,000	M & S	111	Aug.25,'98	111	111	2,000
" debenture 5's reg			M & S	110⅝	July 15,'98	....	....	....
" reg. deben. 5's	1889–1904	850,000	M & S	108½	Feb. 21,'98	....	....	....
" debenture g. 4's	1905	8,885,000	J & D	105	Aug.11,'98	105	105	10,000
" registered	1905		J & D	104¾	Feb. 5,'98	....	....	....
" deb. cert. ext. g. 4's	1905	4,585,500	M & N	104⅝	July 8,'98	....	....	....
" registered			M & N	104⅝	June 30,'98	....	....	....
" g. mortgage 3½s	1997	23,801,000	J & J	107¼	Aug.26,'98	107¼	106½	42,000
" " registered			J & J	104⅞	July 6,'98	....	....	....
Michigan Central col. g. 3½s	1998	17,851,000	F & A	94¼	Aug.31,'98	95	93¼	860,000
" registered			F & A	....	....	....	....	....
Lake Shore col. g. 3½s	1998	90,262,000	F & A	94⅞	Aug.31,'98	96	94	1,515,000
" registered			F & A	94	Aug.19,'98	94	94	31,000
Harlem 1st mortgage 7's c.	1900	12,000,000	M & N	107⅛	June 13,'98	....	....	....
" 7's registered	1900		M & N	107¼	Aug.25,'98	107⅛	107¼	2,000
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	109¼	Aug.26,'98	110	109	48,000
" registered			J & J	109	Aug.22,'98	109⅞	108¾	48,500
Beech Creek 1st. g. gtd. 4's	1936	5,000,000	J & J	108⅛	Nov. 16,'97	....	....	....
" registered			J & J	106	June 17,'98	....	....	....
" 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	95	July 28,'98	....	....	....
" 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	124⅛	Aug.12,'98	124⅛	124⅛	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	107	Aug.13,'98	107	107	1,000
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	123	June 23,'98	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	106	Aug.26,'98	107	105⅛	41,000
" 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	160	Aug.18,'98	160	159⅛	17,000
" small certifs	$100	1,430,000	......	155	Aug.29,'98	158⅛	155	1,100
Housatonic R. con. g. 5's	1937	2,838,000	M & N	126⅛	Aug.26,'97	126⅛	126⅛	2,000
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	120⅛	Aug.19,'98	120⅛	119⅞	7,000
" 1st 6's	1905	4,000,000	J & J	114	Aug.18,'98	114	114	1,000
N.Y., Ontario & W'n con. 1st g. 5's	1939	5,600,000	J & D	107	Aug.30,'98	107¼	106⅛	96,000
" Refunding 1st g. 4's	1992	8,375,000	M & S	101⅝	Aug.31,'98	102	100⅛	127,000
" 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	7,261,000	J & J	114	Aug.13,'98	114	114	1,000
" registered			J & J	116	June 4,'98	....	....	....
St. Paul & N. Pacific gen 6's	1923	7,985,000	F & A	130	Aug.22,'98	130	129	8,000
" registered certificates			Q F	127	July 12,'97	....	....	....
N. P. Ry prior ln ry.&ld.gt.g.4's	1997	86,104,000	Q J	101	July 31,'98	101⅛	99¼	2,454,500
" registered			Q J	100¼	Aug.23,'98	100¾	100	50,000
" gen. lien g. 3's	2047	56,000,000	Q F	68	Aug.31,'98	68	64	4,108,000
" registered			Q F	....	....	....	....	....
Nor. Pacific Term. Co. 1st g. 6's	1933	3,910,000	J & J	114	Aug.31,'98	114	112⅛	24,000
Norfolk & Southern 1st g. 5's	1941	750,000	M & N	102	June 27,'98	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	122	Aug. 8,'98	122	122	1,000
" New River 1st 6's	1932	2,000,000	A & O	124	Aug.31,'98	124	124	14,000
" imp'ment and ext. 6's	1934	5,000,000	F & A	117⅛	Aug.30,'98	117⅛	117⅛	5,000
" Sci'o Val & N.E. 1st g.4's	1989	5,000,000	J & N	89⅛	Aug.31,'98	91⅛	89	21,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	101	Feb. 23,'97	....	....	....

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Norfolk & West. Ry 1st con. g. 4s.	1996	23,319,100	A & O	86	Aug. 31,'98	87½	83½	924,500
" registered			A & O					
" small bonds			A & O					
Ogdb'g & L. Chapl. 1st con. 6's	1920	3,500,000	A & O	49	Apr. 13,'98			
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	85½	Aug. 9,'98	85½	83	20,000
" gen. mortg. g 4's	1921	1,543,000	M & N	8½	Aug. 29,'98	8½	8	6,000
" gen. eng. Trust Co. certs.		1,255,000		10	June 9,'98			
Omaha & St. Lo. 1st g 4's	1901	2,376,000	J & J	80	Aug. 19,'98	80	75	23,000
Oregon Ry. & Nav. 1st s. f. g. 6's	1909	1,605,000	J & J	112	Aug. 15,'98	112	112	5,000
Oregon R. R. & Nav. Co. con. g 4's	1946	18,550,000	J & D	100	Aug. 30,'98	100⅝	97½	551,000
Oregon Short Line 1st g. 6's	1922	13,651,000	F & A	127½	Aug. 23,'98	128	126½	183,000
{ Utah & Northern 1st 7's	1908	4,993,000	J & J	121	June 18,'98			
" 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	108	Aug. 25,'98	108½	105	118,500
" non-cum. inc. A 5's	1946	7,185,000	SEPT.	80½	Aug. 31,'98	81½	79¼	564,500
" non-cum. inc. B. & col. trust		14,841,000	OCT.	57¼	Aug. 30,'98	58¾	56½	1,200,000
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	106	Aug. 26,'98	106½	103¼	197,000
Panama 1st sink fund g. 4½'s	1917	2,000,000	A & O					
" 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	113	Aug. 17,'98	114	113	10,000
" reg	1921		J & J	110	July 8,'98			
" 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	112½	Aug. 30,'98	112½	112½	2,000
" Series B	1942	10,000,000	A & O	111	June 28,'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	108	June 6,'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			
" 2d 7's	1912	2,546,000	J & J	140	Aug. 18,'98	140	140	1,000
" 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,'98			
" registered			A & O	110	May 3,'92			
Cleve. & Pitts. con. s. fund 7's	1900	1,310,000	M & N	107	May 25,'98			
" gen. gtd. g. 4½'s Ser. A.	1942	3,000,000	J & J	113	Apr. 18,'95			
" Series B.	1942	1,699,000	A & O					
G. R. & Ind. Ex. 1st gtd. g 4½ g	1941	4,447,000	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					
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	101½	Aug. 12,'98	101½	101½	8,000
" Ev. div. Tr. Co. cf 1st g. 6's	1920	1,433,000	M & S	96	June 28,'98			
" Tr. Co. ctfs. 2d mort 5's	1926	1,851,000	M & N	18½	June 2,'98			
" " 1st instal. paid								
Peoria & Pekin Union 1st 6's	1921	1,500,000	Q F	120	May 11,'98			
" 2d m 4½'s	1921	1,499,000	M & N	85½	May 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	108⅛	Apr. 5,'98	....	....	....
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,'98	....	....	....
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	Aug.22,'98	109¼	108⅛	19,000
• 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	91⅜	Aug.31,'98	93	91	99,000
• Mort. g. 5's	1891–1941	3,500,000	M & N	50	Aug.17,'98	50	46	71,000
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	82⅝	Aug.31,'98	84⅝	82⅛	1,260,000
• registered			J & J	....	....	....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	90⅛	Aug.31,'98	91	88⅛	418,000
Rio Grande Junc'n 1st gtd. g. 5's,	1939	1,850,000	J & D	91	June 16,'98	....	....	....
Rio Grande Southern 1st g. 3-4,	1940	4,510,000	J & J	66	June 16,'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	80	Aug.26,'98	80¾	80	110,000
St. Louis & San F. 2d 6's, Class A,	1906	500,000	M & N	114	July 20,'98	....	....	....
{ • 2d g. 6's, Class B	1906	2,725,000	M & N	115⅛	Aug.30,'98	115⅛	114	16,000
• 2d g. 6's, Class C	1906	2,400,000	M & N	114	Aug.16,'98	114	114	1,000
• 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	120⅝	Aug.27,'98	120¾	118⅞	140,000
• gen. g. 5's	1931	12,293,000	J & J	106	Aug.30,'98	106⅝	104¾	125,000
• 1st Trust g. 5's	1987	1,099,000	A & O	100	July 12,'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	80½	Aug.31,'98	82¾	78	602,000
} • South'n div. 1st g. 5's.	1947	1,500,000	A & O	97¼	Aug.22,'98	97¾	95½	94,000
St. Louis S. W. 1st g. 4's Bd. ctfs.,	1989	20,000,000	M & N	79	Aug.31,'98	81	78	987,000
• 2d g. 4's inc. Bd. ctfs.	1989	8,000,000	J & J	33⅛	Aug.31,'98	35	31	1,298,000
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	107	Aug.30,'98	107	107	3,000
St. Paul, Minn. & Manito'a 2d 6's.	1909	8,000,000	A & O	122⅛	Aug.16,'98	122⅛	122⅛	6,000
{ • Dakota ext'n 6's	1910	5,676,000	M & N	122	Aug.12,'98	123	122	6,000
• 1st con. 6's	1933	} 13,344,000	J & J	132	Aug.31,'98	132	130⅛	16,000
• 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	108⅛	Aug.16,'98	108⅛	108⅛	2,000
• 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	101	Aug.24,'98	101⅛	100⅛	85,000
• 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	129	Aug.27,'98	129	129	1,000
• 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	....	....	....
• registered			J & J	....	....	....	....	....
Eastern Minn. 1st d. 1st g. 5's.	1908	} 4,700,000	A & O	110½	Aug.18,'98	110½	110½	1,000
• registered			A & O	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's,	1938	} 3,625,000	J & D	113	Aug.26,'98	113	113	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	99	Aug.30,'98	99½	95¾	71,000

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.	August Sales. High.	August Sales. Low.	August 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	July 22,'98	....	....	....
" Mex. & P. div 1st g 5's	1931	13,418,000	M & N	98	Aug. 31,'98	98	95¾	187,000
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	Aug. 27,'98	111	110½	2,000
" con. g 6 s int. gtd	1912	3,455,000	A & O	109	Aug. 12,'98	109	109	1,000
" gen. g 4's int. gtd	1921	4,297,000	A & O	83	Aug. 31,'98	83½	80¾	140,000
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	68½	Aug. 31,'98	71	68	1,226,000
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	101	Aug. 31,'98	101	99	117,000
South'n Pac. of Ariz. 1st 6's	1909–1910	10,000,000	J & J	109¼	Aug. 30,'98	109½	106½	200,000
South. Pac. of Cal. 1st g 6's	1905–12	30,577,500	A & O	110½	Aug. 10,'98	101½	108	2,000
" 1st con. gtd. g 5's	1937	19,671,000	M & N	102½	Aug. 30,'98	102½	100½	61,000
Austin & Northw'n 1st g 5's	1941	1,920,000	J & J	86½	Aug. 30,'98	86½	83	87,000
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	109⅝	Aug. 31,'98	109¾	108¾	102,000
Southern Railway 1st con. g 5's	1994	27,859,000	J & J	97½	Aug. 30,'98	98½	94¾	1,230,000
" registered			J & J	....	....	....	....	....
" Memph. div. 1st g. 4-4½-5's	1996	5,183,000	J & J	103	July 21,'98	....	....	....
" registered			J & J	....	....	....	....	....
East Tenn. reorg. lien g 4's	1938	4,500,000	M & S	100	Aug. 12,'98	100	100	2,000
" 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	106½	Aug. 31,'98	106½	106½	15,000
" divisional g 5's	1930	3,106,000	J & J	114½	Aug. 19,'98	114½	114½	4,000
" con. 1st g 5's	1956	12,770,000	M & N	113½	Aug. 31,'98	113½	111	106,000
Ga. Pacific Ry. 1st g 5–6's	1922	5,660,000	J & J	119	July 28,'98	....	....	....
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	115½	Aug. 2,'98	115½	115½	2,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	122½	Aug. 11,'98	122½	122½	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	96	June 3,'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	108	Aug. 30,'98	108	107½	6,000
" gen. 5's. gtd. stamped	1926	2,466,000	M & N	107	June 8,'98	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	90	Aug. 25,'98	90	90	5,000
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	118½	Aug. 25,'98	118½	118	8,000
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 1 g 4½'s	1939	7,000,000	A & O	112¾	Aug. 16,'98	112¾	111½	15,000
" 1st con. g. 5's	1894–1944	4,500,000	F & A	110	July 22,'98	....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	103	Oct. 27,'98	....	....	....
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	Aug. 25,'98	108	107¾	2,000
" 1st gold 5's	2000	21,216,000	J & D	106½	Aug. 30,'98	107½	106½	67,000
" 2d gold income, 5's	2000	23,227,000	MAR.	47⅝	Aug. 31,'98	50⅝	42¾	6,622,000
Third Avenue 1st g 5's	1937	5,000,000	J & J	122½	June 20,'98	....	....	....

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.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	105	Aug.22,'98	105	103	10,000
" 1st M. g 5's West. div...1935	2,500,000	A & O	105	Aug.19,'98	105	105	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	80	Aug. 8,'98	80	80	1,000
Toledo, Peoria & W. 1st g 4's....1917	4,900,000	J & D	77	Aug.19,'98	78	77	86,000
Tol., St.L.&K.C. Tr. Rec. 1st g 6's.1916	8,234,000	M & N	90	Aug.16,'98	90	89	48,000
Ulster & Delaware 1st c. g 5's....1928	1,852,000	J & D	100½	Aug.23,'98	100½	100½	12,000
Union Elevated (Chic.) 1st g.5's.1945	4,237,000	A & O	....	....	....	....	....
Union Pacific R. R. & ld gt g 4s.1947	90,000,000	J & J	98¾	Aug.31,'98	99⅛	97⅝	5,554,000
" registered.................		J & J	98⅞	Aug.25,'98	98⅞	98⅞	20,000
Union Pac. Tr. Co. cts. g. 4½s..1918	2,000,000	M & N	55	Aug.31,'98	55	55	18,000
U.P. Den.&GT.Co.cf.1stc.g.5's.1939	15,288,000	J & D	76½	Aug.31,'98	79	78	5,296,000
Wabash R.R. Co., 1st gold 5's....1939	31,664,000	M & N	112½	Aug.31,'98	112¾	110¾	270,000
" 2d mortgage gold 5's..1939	14,000,000	F & A	90	Aug.31,'98	90¼	88¼	708,000
" deben. mtg series A..1939	8,500,000	J & J	....	....	....	....	....
" series B..............1939	25,740,000	J & J	30½	Aug.31,'98	30	28¼	5,824,000
" 1st g.5's Det.& Chi.ex.1940	3,500,000	J & J	104⅛	Aug.16,'98	104⅛	103	2,000
St. L., Kan. C. & N. St. Chas. B. " 1st 6's.................1908	1,000,000	A & O	110	June 7,'98	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	108½	July 28,'98	....	....	....
" gen g. 2-3-4's............1943	10,000,000	A & O	58	Aug.26,'98	59⅛	56½	129,000
" inc. 5's...................1943	10,000,000	Nov.	16	Aug.27,'98	16½	15½	102,000
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	3,100,000	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	108	Aug. 8,'98	108	108	2,000
" 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	35	July 25,'98	....	....	....
Wisconsin Cent.Co. 1st trust g.5's1937	1,987,000	J & J	34	Nov. 16,'97	....	....	....
" eng. Trust Co. certificates.	10,013,000	......	53	Aug.31,'98	55	47½	3,624,000
" income mortgage 5's...1937	7,775,000	A & O	5¾	Aug. 9,'98	5¾	5¾	5,000

UNITED STATES GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1898 *High.*	YEAR 1898 *Low.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST 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	111⅛	111	15,000
" 4's coupon...................1907		J A J&O	114¾	107	112	111	46,500
" 4's registered...............1925	162,315,400	Q F	129¼	116¾	128⅛	127⅛	38,000
" 4's coupon...................1925		Q F	129¾	117¾	127¾	126¾	80,000
" 5's registered...............1904	100,000,000	Q F	115	103¾	112	112	1,000
" 5's coupon...................1904		Q F	115	103¾	111⅝	111⅝	5,000
" 6's currency.................1899	14,004,560	J & J	104	102¼	102¼	102¼	2,000
" 4's reg. cer. ind. (Cherokee)1899	1,660,000	MAR	....	....	....	....	......
District of Columbia 3-65's...........1924	14,083,600	F & A	116	115	....	....	......
" 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.

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MISCELLANEOUS BONDS.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	August Sales. High.	August Sales. Low.	August Sales. Total.
Adams Express Co. col. tr. g. 4's	1948	12,000,000	M & S	102½	Aug. 30, '98	102½	100	109,500
American Cotton Oil deb. g. 8's	1900	3,068,000	Q F	107¼	Aug. 24, '98	107¼	107	5,000
Am. Spirit Mfg. Co. 1st g. 6's	1915	2,000,000	M & S	90	Aug. 31, '98	90	84	117,000
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	115	Aug. 31, '98	115¼	114⅝	152,000
B'klyn Wharf & Wh. Co. 1st g. 5's	1945	17,500,000	F & A	92	Aug. 31, '98	92	91⅝	88,000
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	2,575,000	J & J	....	....	....	....	....
Colo. Coal & Iron 1st con. g. 6's	1900	2,954,000	F & A	100	Aug. 31, '98	100	98	29,000
Colo. C'l & I'n Devel. Co. gtd g. 5's	1909	704,000	J & J	81	Feb. 11, '97	....	....	....
" Coupon off	....	....	....	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's	1919	1,043,000	M & N	104	Jan. 12, '98	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's	1943	2,021,000	F & A	80	May 27, '98	....	....	....
Columbus Gas Co., 1st g. 5's	1932	1,215,000	J & J	104½	Jan. 28, '98	....	....	....
Commercial Cable Co. 1st g. 4's	2397	13,000,000	Q & J	101½	Apr. 28, '98	....	....	....
" registered	....		Q & J	104	Feb. 16, '98	....	....	....
Detroit City Gas Co. g. 5's	1923	4,313,000	J & J	94	Aug. 31, '98	95	91	896,000
Detroit Gas Co. 1st con. g. 5's	1918	1,049,000	F & A	94	Aug. 10, '98	94	94	10,000
Det. Mack. & Mar. ld. gt. 3½ S A	1911	3,024,000	A & O	17	Aug. 24, '98	19	16½	128,000
Edison Elec. Illu. 1st conv. g. 5's	1910	4,312,000	M & S	112	Aug. 25, '98	112	111½	5,000
" 1st con. g. 5's	1995	2,156,000	J & J	117¾	Aug. 25, '98	117¾	117¾	20,000
" 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	2,300,000	M & S	102	Feb. 14, '98	....	....	....
Erie Teleg. & Tel. col. tr. g s fd 5's	1926	1,980,000	J & J	98¼	Mar. 9, '98	....	....	....
General Electric Co. deb. g. 5's	1922	6,000,000	J & D	106	Aug. 31, '98	106	105¾	59,000
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	93½	Mar. 11, '96	....	....	....
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	1,705,000	M & S	111	Aug. 28, '97	....	....	....
Hoboken Land & Imp. g. 5's	1910	1,440,000	M & N	102	Jan. 12, '94	....	....	....
Illinois Steel Co. debenture 5's	1910	6,300,000	J & J	98	May 5, '98	....	....	....
" non. conv. deb. 5's	1910	7,000,000	A & O	70	Apl. 28, '97	....	....	....
Iron Steamboat Co. 6's	1901	500,000	J & J	73½	Dec. 4, '96	....	....	....
Jefferson & Clearfield Coal & Ir. 1st g. 5's	1926	1,975,000	J & D	105	May 25, '96	....	....	....
" 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	105	Aug. 27, '98	105	104	77,000
" small bonds	....			97½	Nov. 1, '95	....	....	....
Madison Sq. Garden 1st g. 5's	1919	1,250,000	M & N	102	July 8, '95	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's	1940	1,300,000	M & N	35	Aug. 27, '95	....	....	....
Metrop. Tel & Te'. 1st s'k f'd g. 5's	1918	2,000,000	M & N	105¼	Jan. 5, '92	....	....	....
" registered	....		M & N	....	....	....	....	....
Mich. Penins. Car Co. 1st g 5's	1942	2,000,000	M & S	53	June 5, '97	....	....	....
Nat. Starch Mfg. Co. 1st g 6's	1920	3,[illegible]	J & J	105½	Aug. 25, '98	105½	105½	2,000
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 cum.	1920	1,[illegible]	M & N	100	June 4, '96	....	....	....
N. Y. & Ontario Land 1st g 6's	1910	[illegible]	F & A	92¼	May 5, '96	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's	1904	[illegible]	M & N	116½	Dec. 15, '97	....	....	....
" 2d gtd. g. 6's	1904	[illegible]	J & D	[illegible]	July 27, '98	....	....	....
" 1st con. g 6's	1943	[illegible]	A & O	117½	Aug. 25, '98	117½	117½	8,000
" refunding g 5's	1947	2,500,000	M & S	....	....	....	....	....
" refunding registered	....		M & S	....	....	....	....	....
Chic. Gas L. & Coke Co. 1st gtd. g. 5's	1937	[illegible]	J & J	[illegible]	Aug. 29, '98	106	105½	12,000
Con. Gas Co. Chic. 1st gtd. g. 5's	1936	[illegible]	J & D	[illegible]	July 21, '98	....	....	....
Eq. Gas & Fuel Co. Chic. 1st gtd. g. 6's	1905	[illegible]	J & J	102½	July 21, '98	....	....	....
Mutual Fuel Gas Co. 1st gtd. g. 5's	1947	[illegible]	M & N	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE.		AUGUST SALES.		
			Price.	*Date.*	*High.*	*Low.*	*Total.*
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	....	....	....
Procter & Gamble, 1st g 6's......1940	2,000,000	J & J	118	Apr. 4,'98	....	....	....
Roch & Pitts. Cl & Ir. Co. pur my 5's.1946	1,100,000	M & N	....	....	....	....	....
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	79⅝	Aug. 31,'98	80	67	741,000
" " inc. g. 5's.1946	7,500,000	......	22⅛	Aug. 31,'98	24¼	14¼	3,704,000
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	92	Aug. 31,'98	92½	84	37,000
" Bir. div. 1st con. 6's...1917	3,399,000	J & J	93	Aug. 29,'98	93½	86½	81,000
Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & J	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	116	Aug. 10,'98	116	116	6,000
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series B 5's..................1899-1914	1,000,000	M & N	....	....	....	....	....
" C 5's..................1900-1915	1,000,000	A & O	....	....	....	....	....
" D 4½'s.................1901-1916	1,000,000	J & J	....	....	....	....	....
" E 4's..................1907-1917	1,000,000	J & D	....	....	....	....	....
" F 4's..................1908-1918	1,000,000	M & S	....	....	....	....	....
" G 4's..................1908-1918	1,000,000	......	....	....	....	....	....
Small bonds..................	....	......	....	....	....	....	....
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	105⅛	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	112	Aug. 24,'98	112	110	38,000
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	....	....	....	....	....

Supply of Money in the United States.

	Jan. 1, 1898.	*July 1, 1898.*	*Aug. 1, 1898.*	*Sept. 1, 1898.*
Gold coin..............................	$699,478,536	$765,735,164	$771,069,526	$778,894,663
Gold bullion..............................	45,559,060	98,049,765	99,294,921	105,175,997
Silver dollars..............................	455,818,122	461,906,522	462,306,522	464,004,522
Silver bullion..............................	102,284,736	98,195,494	97,871,697	96,141,237
Subsidiary silver..............................	76,400,207	76,421,429	75,989,540	75,752,973
United States notes..............................	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes..............................	229,014,641	227,900,177	226,780,065	227,261,650
Total..............................	$1,955,236,318	$2,074,979,567	$2,080,013,287	$2,098,912,057

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

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..	30⅛	30⅞	29$\frac{11}{16}$	29$\frac{11}{16}$	26¾	26$\frac{1}{16}$	July......	31⅝	31⅜	27$\frac{11}{16}$	26⅝	27⅞	27
February	31$\frac{3}{16}$	30¾	29¾	29$\frac{11}{16}$	26¼	25$\frac{3}{16}$	August ..	31⅜	30⅝	26½	23¾	27¾	27$\frac{1}{16}$
March....	31$\frac{13}{16}$	31⅛	29⅝	28$\frac{1}{16}$	26$\frac{1}{16}$	25	Septemb'r	30$\frac{11}{16}$	30	27¼	23¾		
April.....	31$\frac{3}{16}$	30$\frac{11}{16}$	28½	28$\frac{3}{16}$	26$\frac{5}{16}$	25$\frac{11}{16}$	October..	30$\frac{3}{16}$	29¾	27½	26		
May......	31$\frac{3}{16}$	30$\frac{11}{16}$	28$\frac{1}{16}$	27⅞	26⅞	25⅞	Novemb'r	30$\frac{3}{16}$	29¼	27½	26⅝		
June.....	31$\frac{5}{16}$	31$\frac{3}{16}$	27¾	27⅛	27½	26$\frac{11}{16}$	Decemb'r	30	29$\frac{11}{16}$	27¾	25$\frac{5}{16}$		

BANKERS' OBITUARY RECORD.

Anthony.—Job K. Anthony, Vice-President of the Greylock National Bank, Adams, Mass., died August 11. He was prominent in politics and in manufacturing, as well as banking.

Barratt.—Milton Barratt, President of the Atchison (Kans.) National Bank, which he established in 1872, died at Hot Springs, Ark., August 23.

Bartlett.—Wilbur F. Bartlett, Secretary and Treasurer of the New England Loan and Trust Co., New York city, died August 12. Mr. Bartlett was born in Osceola, Iowa, about forty years ago, coming East at an early age. Most of his business career was spent with the above company.

Brewster.—Simon L. Brewster, President of the Traders' National Bank, Rochester, N. Y., a resident of that city for half a century, and long one of its best-known bankers and business men, died August 17. Mr. Brewster was born at Griswold, Ct., in 1811. He learned the trade of carriage-maker, and was long and successfully identified with this business. In 1841 he removed to Rochester. Mr. Brewster was one of the directors of the old Eagle Bank, organized in 1852. This bank was merged into the Traders' Bank in 1859, and in 1863 Mr. Brewster was chosen its President.

Chapman.—Clark P. Chapman, President of the First National Bank, Pittsfield, Ill., died August 20, aged seventy-six years. He was connected with the bank for thirty years as Cashier and President.

Crane.—John B. Crane, Cashier of the People's Bank, Fairmont, West Va., and for eighteen years clerk of the county court, died August 5.

Cummins.—David J. Cummins, for the last twenty-two years President of the National Bank of Smyrna, Del., died August 9, aged seventy-four years.

Currier.—Hon. Moody Currier, President of the Amoskeag Savings Bank, Manchester, and formerly Governor of New Hampshire, died August 23. He was born at Boscawen, N. H., in 1806. On the organization of the Amoskeag Bank, in 1848, he became its Cashier, and in 1864 was elected President of the Amoskeag National Bank, which had succeeded the former institution. In 1884 he was elected Governor of the State.

Goad.—Wm. F. Goad, President of the Bank of Haywards (Cal.) died August 8. He was also a director of the Bank of Willows and the Bank of Colusa.

Gordon.—Geo. C. Gordon, President of the First National Bank, Rockport, N. Y., died August 25. He was a large holder of real estate and was extensively interested in the manufacture of lumber.

Hamilton.—Capt. David B. Hamilton, President of the Manufacturers' National Bank, Waterbury, Conn., and interested in several other financial and manufacturing concerns, died August 14. He was a veteran of the Civil War, and prominently connected with numerous fraternal orders.

Hunt.—Wm. S. Hunt, Vice-President of the First National Bank, of Clyde, N. Y., died August 16, aged sixty-eight years.

Irwin.—John W. Irwin, proprietor of the Salem Bank, Goshen, Ind., died August 11.

Miller.—Mahlon Miller, Vice-President of the Farmers and Mechanics' National Bank, Phoenixville, Pa., and a director of the National Bank of Phoenixville, died August 14, aged seventy-two years.

Raphael.—G. M. Raphael, President of the First National Bank, Brownsville, Texas, died August 7.

Rolston.—R. G. Rolston, who was for thirty-three years President of the Farmers' Loan and Trust Co., New York, which position he resigned about two months ago, died August 25, at the age of sixty-six years. He was formerly connected with the Manhattan Co. Bank and the Fourth National, afterwards becoming Vice-President of the Farmers' Loan and Trust Co., and President soon after, in 1864. He was a director in several banks and other corporations.

Stephens.—John Dixon Stephens, President of the Bank of Woodland, Cal., died August 27. Mr. Stephens was born in Missouri in 1826. He served in the Mexican War, and located in California in 1849. The Bank of Woodland, which has $1,000,000 capital, was established by Mr. Stephens in 1868, and he has been its only President. He was a member of the Knights Templars.

Wall.—Ex-State Senator H. W. Wall, a wealthy banker of Staunton, Ill., and a member of the banking firm of Wall & Panhorst, was fatally shot on August 16.

Wilson.—Thomas Wilson, President of the Bank of Schuyler County, Rushville, Ill., died August 28. He was largely interested in the grain and general mercantile business.

THE

BANKERS' MAGAZINE.

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SECOND YEAR. OCTOBER, 1898. VOLUME LVII, No. 4.

THE SURPLUS REVENUE, which may during the present fiscal year amount to $100,000,000 or even more, naturally arouses some attention to the effect this condition of things may have upon the prospects of currency reform.

The Monetary Convention, through its executive committee, has been working hard as the representative of the business men of the country to place the monetary laws of the United States upon a scientific footing. The members of the convention have been aided in this work by all lovers of sound money. A bill which embodies the practical results of their labors has been introduced in Congress, and was all ready for consideration when that body adjourned. There is little doubt that if it had not been for the interruption of the Spanish war this bill would have been enacted into law with very little modification. It is not beyond hope that Congress may take it up at its next session, and this hope becomes stronger when the effect of the measures adopted for financiering the Spanish war is considered.

Before these measures became law the Treasury had not realized from the Dingley Tariff Bill sufficient revenue to meet its current expenditures. It had, however, been relieved from the most severe pressure on it by the payments falling due from the Pacific railroads and by the favorable condition of the foreign trade. Moreover it was expected that there would be a general return of domestic prosperity which would expand the revenues by degrees so that they would become adequate to the ordinary expenditures. The necessity of additional funds for the war was at once seen, and Congress authorized a loan of $300,000,000 and laid additional internal revenue taxes. Of this loan $200,000,000 has been issued on good terms, and the revenues from the new taxes bid fair to exceed expectations. But more important than all, the cost of the war has so far proved to be much less than the most sanguine could anticipate. Of course peace has not yet been declared, and there are possibilities of further complication before the affairs of the Philippine Islands and of Cuba and Porto Rico are satisfactorily determined. Just at present, however, it seems as if this Government stood in such a commanding position among the nations that whatever reasonable demands it may make will be acceded to without difficulty, and that the cost of carrying on the negotiations to a conclusion and of dealing with the natives of the territories which may require pacification and regulation, will not require nearly all the prospective revenues.

With a surplus in the Treasury constantly tending to increase there naturally arises apprehension of stringency in the money market, which may affect business unfavorably. The expenditures and receipts of the Government bear no relation whatever to the demands of ordinary business for money. The revenues may expand and draw cash from the money markets at the very time when the business demand is most imperative. The expenditures may contract at the same time. Or again the expenditures may be poured out at a time when money is plenty and thus cause an undue plethora and low rates for money. Thus the Treasury becomes a factor the effect of which can never be foreseen or calculated upon and which keeps all business enterprise in a state of apprehension.

Those who remember the experience of former years when the surplus receipts of the Government were continually having a detrimental effect on the business of the country, can well feel some apprehension at the prospect of similar conditions.

But it does not appear that there is so much cause for this apprehension as formerly existed. The large amounts of public money now deposited with the National bank depositories indicate that it will be more and more the policy of the Treasury to keep the surplus in the banks where it will be available for business demands, rather than to draw it unduly into the Treasury proper. Whether this is the settled policy of the present Administration or not it is certain that by judiciously depositing the accumulating surplus with the banks all danger of sudden contraction or expansion of the available currency would be removed.

The large amounts of new bonds purchased by banks throughout the country for use as security for public moneys show that there is no unwillingness on the part of the banks to aid the Government in this respect.

For this reason it is probable that it will not be difficult for the Secretary of the Treasury to very much palliate if not entirely remove the inconveniences which tend to arise from the long continuance of surplus revenues under the independent Treasury system, at least until the revenues are diminished by legislative changes in the tax laws. Although it seems from this view of the case that the pressure from superabundant resources may not become so imperative as to force any hasty action on the part of Congress, yet the situation by December may become critical enough to force attention to the abnormal relation which the operations of the Treasury bear to the ordinary business of the country.

Under the present currency and financial system the business interests swing between one extreme of apprehension that there will be a deficit and the other extreme that there will be a surplus. If it is a deficit, then the dangers of the legal-tender note and the endless chain draining the gold reserve come into full view. If it is a surplus, then the equal danger of a tight money market is in sight.

If it were not for our imperfect laws neither a deficit nor a surplus in the Treasury would necessarily have any effect on business. In other civilized countries this matter regulates itself through a wise use of banking facilities. In the United States, through the lack of these facilities, the danger of one or the other extreme constantly threatens. Congress is the only balance-wheel, and Congress instead of once for all establishing an automatic system and letting it work for the relief of future legislators and the benefit of the Treasury, has to exercise itself constantly in employing heroic remedies.

In December the first impulse to relieve the situation will be to reduce taxes so as to diminish the surplus. This is, however, a long and delicate process, and one that may as it has done before result in a deficit with its accompanying dangers.

If, however, before meddling with the revenue laws, Congress shall be impressed with the wiser counsel, to first pass the bill for the reform of the currency, and retiring the legal-tender and Treasury notes, substitute therefor a sound and elastic bank currency, then the time to reduce the revenues without danger will have arrived. The surplus itself will give the means for retiring the legal-tender notes, but until some provision for a substitute paper currency is made, the legal-tender and Treasury notes could not be retired without causing great monetary trouble. The revenues are largely paid in the paper currency as it now exists and the first scarcity of cash is felt in this class of money. The banks under present law do their utmost to meet the demand with their notes, but the difficulties of procuring bonds on which to base new circulation prevents them from meeting the requirements of the situation.

If the McCleary Bill had been passed at the last session of Congress, the present situation would have been one of the greatest encouragement. The banks would now by their new issues relieve the stringency caused by the payment of revenues. The surplus as it accumulated could be used to retire the legal-tender and Treasury notes, and the gold now held as a reserve by the Treasury could be gradually transferred to the banks to protect their notes.

It is not too late to accomplish all this if Congress is in a reasonable humor in December, and if the pressure for currency reform is energetically kept up, as it doubtless will be.

The enactment of the bank currency bill is as much a necessity now when the country is threatened with the effects of a Treasury surplus as it was when the country was threatened with a Treasury deficit.

THE TRUST COMPANY SECTION of the American Bankers' Association had a very interesting meeting at the recent convention at Denver. A full report of the proceedings of this meeting appears exclusively in the September MAGAZINE.

Although in many of their operations trust companies have seemed to be rivals of banks engaged in regular commercial business, yet the operations in which they infringe upon the regular banking business form but a very small portion of their entire business.

Some feeling between banks and trust companies has grown up on account of certain alleged discriminations in the taxes imposed by State authority upon the shareholders of the respective institutions.

There is no doubt that the trust companies resemble banks in carrying a very large line of deposits, and that upon these deposits they maintain apparently a much smaller reserve than the banks are required to keep. But these deposits are of quite a different character from those of commercial banks. They are made up of the available means of the estates and property entrusted to the companies for management, and are continually changing from one trust to another as the exigencies of investment require. They are in a word permanent deposits, less likely to be drawn upon suddenly than even Savings bank deposits, much less the deposits of commercial banks.

In the tax cases the United States Supreme Court recognizes the vast distinction that exists between the nature of the business carried on by the trust companies and the banks.

These companies are a comparatively modern and peculiarly American institution. They have grown up and flourish all over the United States because there has been a demand for them as the wealth of the country has increased. The burden of carrying on a great estate, or of increasing and preserving accumulated wealth, becomes greater every year with the increase of investments that derive their earning power from operations carried on over vast extents of territory under the diverse laws of nearly fifty different States. Time was when a man of wealth had all his estate within his own county or at least within his State. Now the investment securities sold on any stock exchange may be based on property lying in any part of the world, and to watch and care for a fortune consisting of such securities requires a special training and skill. The trust companies have arrived on the scene to relieve the possessors of most of the burden of its care.

Trust companies are claimed to be distinctively an American institution. No trace of the existence or operation of associations of this character, can, it is said, be found in either the general or the legal literature of any foreign country. In England much of the business performed here by trust companies seems to be in the hands of a particular class of solicitors and attorneys, and in France in the hands of a species of attorney called notaries. Whether it is that individual character in the United States is less stable and the fluctuations of responsibility more sudden, it is evidently the necessity for a stronger guaranty of the safety of trusts that has taken a large part of the trust business out of the hands of individual trustees and placed it in the hands of corporations.

These companies act as executors and administrators, as assignees, as Receivers, as guardians, and as testamentary trustees. In all these capacities the corporation is superior to the individual in that it is more permanent and responsible; it represents organized ability and experience; it has financial strength; it works more quickly and economically; it has standing and commands respect.

The laws and institutions of the United States were all calculated in the outset to prevent the accumulation of great fortunes and the building up of hereditary estates. The Anglo-Saxon instinct for the accumulation and preservation of property is, however, irrepressible. There is no doubt that at the present time the solidarity of wealth in this country is due to the operations of these corporations invented to overcome the tendency to the dispersal of property caused by the absence of laws of entail and other laws for the preservation of the family. Through them it is possible for the owner of property to continue his dominion over it indefinitely beyond the period of his own life. Through the trust company he can after his death still preserve his property intact and increase and use it as he might have done while living, for the benefit of his family and dependents. The company has no motive for the dissipation and dispersal of the property entrusted to it. It increases its own power and importance by the skillful investment of its trust funds, just as the original owner would have done by the skillful management of his own estate.

In legal contests and in settling questions as to the validity of trusts that might be disputed, the company has an enormously increased power. There is no doubt that the tenderness about breaking testamentary trusts which seem to be perilously near to the line of invalidity under State laws, apparent in many recent decisions of the courts, is due to the strong influence of these companies throughout the land.

To the possessors of wealth who wish to enjoy it without the attendant cares and anxieties, these companies afford a sure reliance and refuge. They protect the spendthrift from himself and widows and orphans from the wolf in sheep's clothing who would rob them of their inheritance. While many institutions and customs of the day tend to instability and change, the trust companies stand as conservative forces which have grown up imperceptibly, and which will continue to bind together the better elements of our population against the storms of socialism and anarchy. Under no form of government is the individual so weak as under that where the rule of the majority is recognized as supreme. To protect himself the invidual must enter into some combination of numbers, or must pay for the help of some such combination. The trust company affords the same protection to the wealth of the individual that other associations and clubs afford to his self-respect and social standing. The same law that has encouraged the formation of labor unions and trade associations has brought about the formation of trust companies.

"WHAT IS A BANK?" is an inquiry that to bankers themselves no doubt seems superfluous. But the amount of ignorance and prejudice existing against these institutions in certain minds establishes beyond question the need of the most elementary instruction in regard to the functions of banks, and fully justifies the inquiry.

Commendable work along the line of educating the people on this subject is being done by the Bureau of Education of the American Bankers' Association. At the recent convention at Denver the Committee on the Uses of Banks, of which Mr. WM. C. CORNWELL is Chairman, made an interesting report embodying the result of what has been done in this direction. The committee has issued a pamphlet under the title "What is a Bank?" This pamphlet was sent to 10,000 banks in the United States with a circular letter asking for opinions as to its suitableness for the education of the people, and also for the co-operation of the banks in the distribution of the little primer, as it was styled. The replies received were encouraging and satisfactory. Orders for the pamphlet poured in until one edition of 100,000 was exhausted, and another has been printed and is in process of distribution.

It must be noted, too, that the banks of the country addressed by the committee became so interested in the matter that they voluntarily paid for the pamphlets they ordered, and thus relieved the committee from calling on the executive council for the cost of printing the pamphlets. The very great demand for them would have entailed a considerable expense on the association even at the lowest cost price.

There can be little doubt, although the proposition is not susceptible of exact proof, that the influence of this little pamphlet has been great. The people are not opposed to the real bank; in fact in their own place of residence they usually look up to and respect the banker and his business.

As has been heretofore remarked in this MAGAZINE, there seems to be no very great prejudice or opposition aroused in State legislatures when State banking laws or methods are discussed. It is only in Congress that difficulty in the treatment of financial questions arises.

Gov. ALVA ADAMS, of Colorado, in his address to the convention at Denver, attempted to laugh off the injustice which the banking business has suffered, and admitted that it has its rise in the necessity of the political orator and campaign editor for a bugaboo to shake before the people. This is no doubt strictly true—the professional politicians deliberately and knowingly misrepresent one class of citizens in order to mislead another class. As the fact becomes more evident to those who have heretofore suffered themselves to be thus misled, they will largely discount the attacks made on the banks for political purposes.

THE NATIONAL CURRENCY CONVENTION began its session at Omaha on September 13. One of the chief objects of the gathering was to give the advocates of every shade of opinion on this important question an opportunity to bring their arguments before the great mass of people assembled at the Omaha Exposition. Naturally the greater part of the visitors came from States west of the Mississippi, although there was a large representation from all parts of the country. There was therefore in the audiences who listened to the speakers a preponderance of those who have been the strength of the silver and greenback parties, and there can be no doubt that the speakers who represented the cause of the gold standard and currency reform had a grand opportunity to impress their views upon minds heretofore accustomed to hear the arguments on the other side.

Mr. HORACE WHITE, of New York, was the first to meet the audience, and his thorough and impressive review of the present phase of the currency question cannot have failed to arrest the attention and give pause for reflection to all who have been bewildered by ceaseless and uninterrupted arguments in favor of silver and irredeemable paper money. In 1893, at the World's Congress of Bankers in

Chicago, Mr. WHITE spoke on the history of the gold standard, and it was announced that he would repeat this address at the Omaha Exposition. He improved on this, however, and in addition to a repetition of the main points of that address he gave the facts in reference to the further advance made by the gold standard since 1893, and also covered the whole ground of the monetary discussion by treating of international bimetallism, the quantity of gold available for monetary purposes, the meaning of a dollar, the nature of Government credit, and the relation of the gold reserve thereto. From this introduction he treated historically the events leading to the panic of 1893, showing the narrow escape of the Treasury from bankruptcy, and the supineness and inertness of Congress in the emergency growing out of the fact that the greenback and silver dollar had become factors in politics which made the credit of the United States seem of secondary importance.

Mr. WHITE used careful and guarded language, but in substance he told his audience that there was in 1893 and subsequently a large number of persons who, for various reasons, were willing to have the United States Treasury placed in a situation where it could not redeem its promises. That as long as legal-tender Government notes were maintained as a part of our financial system this condition of things might possibly recur. Briefly, he demonstrated that the holders of legal-tender notes believed that the United States Government had pledged its faith to pay these notes in gold coined dollars, and that the credit of the United States depended on the faithful performance of this pledge; also that the power to redeem and the willingness to redeem were both involved in this credit. When holders of legal-tender notes saw that the performance of the promise rested on the chance of elections and the predominance of political parties, that the credit of the country was insecure both at home and abroad, they became convinced that distrust that could be removed only by retiring the legal tenders and substituting a bank currency.

He regarded the MCCLEARY banking bill as a great step in the right direction, and concluded by showing in a clear and dispassionate manner the advantages of a bank currency properly guarded over a currency issued on the credit of the Government.

As a campaign document this address of Mr. WHITE cannot be surpassed. One of his most forcible observations was made in regard to the retirement of the greenbacks. He said that until the Indianapolis Monetary Conference no distinct fight for the retirement of Government demand paper had been made except by a limited number of men, economists and magazine writers, who have no personal interest in banks. The banks themselves made no attack on the legal-tender note. But the unanimity of men of special training in economic science and with no private interests to serve ought to count for something in this discussion. For this reason, too, Mr. WHITE'S own opinion ought to have the greatest weight.

Another valuable address on the relative merits of bank notes and the demand obligations of the Government was made by Hon. CHAS. N. FOWLER, of New Jersey. In terse and forcible language he throws the light of analysis upon the subtle distinctions which exist in the practical use for business purposes of promises to pay money, when issued by individuals, by banks, and by the Government. Although all of these are in their fundamental nature the same, yet in the way they are issued and in their facility of redemption there are differences which render one kind of promise more fitted for the purpose of universal currency than another. The essence of the fitness or unfitness consists in the certainty and convenience of redemption.

It is apparent that the only way to obtain a clear view of the real inwardness of the currency question is to follow out still more minutely the analytic method undertaken by Mr. FOWLER. A full analysis of this kind is much more difficult than may at first appear. It might start with the question, What kind of promise to pay money is best fitted to form a safe, elastic, and homogeneous currency for a country like the United States? By safe is meant that on demand it will be redeemed at certain designated points, in coin of the monetary standard, and that this redemption may be enforced by law. By elastic is meant that it will be freely issued in response to all legitimate trade demands and that it will be retired by redemption when the demand ceases. By homogeneous is meant that it will be alike in denomination and appearance, subject to similar rules of issue and redemption and backed by similar security, and that it be received and paid out at par in all parts of the United States.

Individual promises to pay money on demand will not obviously fulfill these conditions. Neither will the promises to pay of banks that are not bound by similar laws and organic regulations. Neither do Government promises to pay fulfill these conditions, because they do not fulfill all the conditions of safety, in that their payment cannot be forced by law, and because they do not issue and retire in accordance with the demands of trade.

Is it possible for a system of banks to supply a currency which shall conform to the model required? This question can probably be answered conditionally in the affirmative. By this is meant that no banking or other system will ever attain the ideal perfection where criticism will be at a loss. But the experience of the world has shown that banks can be organized and carried on which will furnish a currency sufficiently near perfection to meet fully all the real necessities of business.

If the Supreme Court of the United States, in its legal-tender decisions, had not been too absorbed in the consideration of the powers granted by the Constitution to make a proper study of the nature of currency and the manner in which it fulfills the reasons for its existence, the court would never have decided that Congress has power to issue a paper currency.

It may be true that Congress is empowered to do what seems necessary for the general welfare, but Congress cannot perform impossibilities even for the general welfare. No arguments were ever presented to the Supreme Court in the legal-tender cases, showing by an analysis of the very nature of currency that it was something that could not be furnished by issues of Government legal-tender notes. No arguments were ever made to show that Government legal-tender notes were not and could not be for the general welfare. It is only by the process of accurate definition and analysis of distinctions that the cloud of delusion and confusion which has settled on the currency question can be cleared away. This process has just begun, but the clue to it is now taken up in many minds, and will be carried forward by the conscious and unconscious cerebration of the nation.

THE NATIONAL BANK RESERVES in this city having in some cases recently fallen slightly below the legal requirements, the Comptroller sent the usual notices requesting that the reserve be brought up to the legal standard. It is said that some of the associated banks which were below their legal reserve paid little attention to the notification of the Comptroller to make their reserves good, as a week subsequently they were still holding less than the required amount.

The law as to reserve recites that when the reserve of any association falls below the legal limit, that "such association shall not increase its liabilities by making any new loans or discounts otherwise than by discounting or purchasing bills of exchange payable at sight, nor make any dividend of its profits," until the required proportion has been restored. The Comptroller may notify the association to make good the reserve, and if for thirty days thereafter the reserve is not made good then steps may be taken to appoint a Receiver. Both the notification and the enforcement of the penalty are discretionary with the Comptroller. The law is not mandatory and it would seem that a fair consideration of the purpose of reserves in the banking business will show why it should not be. A reserve is kept for use, and when the occasion arises that its use is necessary it would seem to be unjust to absolutely forbid such use.

Under many systems of banking no fixed amount of reserve is required; it is left to the bank itself, which by permitting its cash to become too greatly exhausted, without attempt at replenishment, exposes itself to the inevitable penalty of bankruptcy. As it is, a bank has thirty days after notification to make good its reserve, and within this time, with the cessation of new loans and discounts, the deposits made and the loans falling due will restore the reserve except under circumstances amounting to a general financial crisis.

It would be very questionable policy for the Comptroller to place a bank in the hands of a Receiver for a simple deficiency in reserve, even if continued for thirty days after notification, unless there were circumstances that pointed to a condition of things amounting to insolvency. A deficiency in reserve is only a symptom. It may mean serious trouble or it may mean nothing but a temporary trouble in the money market.

The legal limit of reserves required by the National banking laws is fixed at a point much greater than is really necessary. Slight infringements may occur from time to time with no real danger to the bank or its depositors. Banks, when the matter is left to their own discretion, often go much below the percentage of reserve required of National banks without any danger being surmised or remark made upon it.

There is a tendency in our money markets to fix certain arbitrary points. By custom these points come to mark in the public mind the limit of safety, and a sentimental danger is thereby added to the many real ones which may occur in banking. Thus the $100,000,000 mark in the gold reserve in the Treasury was for a long time the point which, in the opinion of the public, could not be passed without the bankruptcy of the Government. But actual experience showed that the reserve could go much below this point if the means of replenishment were eventually sure.

There is, however, something to be said on the other side. The fixed limits of reserve tend to a publicity of financial operations which reassures the public mind when other causes have rendered it sensitive. They are accepted marks of safety to those who understand nothing of the movements of the money market, and for this reason it is necessary that banks should respect them in all their operations.

With the associated banks of New York city a deficiency in the reserve of a few banks does not mean as much as if these banks were not virtually bonded together for mutual protection. The support which they give each other in times of extreme stringency has shown the public that on such occasions they act as one huge institution whose strength is beyond any peradventure of a doubt. The banks, the financial representatives of the great financial centre, are always the first to feel the troubles which spring from the faulty financial laws of the country. When the Government, as it has been recently doing, gathers up great quantities of money in the payment of loans or revenues, the drain is sure to be felt first in this central money market, on which checks and drafts from all parts of the country are drawn. If when these drafts for the payment of dues to the Government are made they could, like other checks and drafts, be deposited in the banks and again drawn on by the Government when needed for expenditures, these sudden fluctuations in the cash reserve need not occur. It is the inability of the Treasury to conduct its affairs by modern methods that makes it almost impossible for the banks to maintain their reserves when there is a steady excess of revenues and other payments flowing into the Government vaults. In these cases the banks are in danger of discipline by the Government, which in one sense is the real cause of the infraction of law by which the discipline is rendered necessary. It is to be hoped that the day will soon arrive when the Treasury can conduct the largest fiscal operations without causing these distressing fluctuations in the money market.

THE RENEWAL OF GOLD IMPORTS recalls the fact that the stock of gold now in the country is already larger than ever before, the banks of New York city holding about 129 millions and the Treasury nearly 250 millions. The whole stock of gold now held in the United States is estimated to have surpassed the stock held in France, hitherto the largest of any country in the world.

The pressure in the money market is the result of unequal circulation of coin and paper money. The inconvenience of the use of coin, the cost of its transportation, generally places the chief pressure on the paper money, and at certain points the latter has been difficult to obtain. If these conditions continue, it is probable that gold coin will begin to be paid out more and more in ordinary business. The prospect of considerable exportation of grain to foreign countries, owing to the depleted condition of reserve stocks, is good for the year to come, and this with the continued exportations of manufactures makes it probable that the balance of trade for some time to come will be favorable. It is not probable, however, that there will be any great rise in prices. The business of the world has accommodated itself to the present range of prices and profits will be calculated and ventures made on this basis. The great competition in all lines of modern business has a tendency to prevent any noticeable rise except under very exceptional circumstances, but on the other hand a limit will sooner or later be reached where the most eager competition can no longer reduce the cost of production in any part of the world, and business will then be on a solid foundation, which can be counted on as reasonably permanent.

SURPLUS REVENUES AND FUTURE FINANCIAL LEGISLATION.

The preparations for the contest with Spain, it is now being realized, were made on a scale much too large for the occasion. The loan of two hundred millions and the revenues derived from the war taxes are now piling up the money in the Treasury to such an extent that apprehensions of a serious stringency in the money market, detrimental to the business of the country, are well founded.

It is estimated that to the end of August the cost of the war was about $115,000,000 and that from this on, if no new complications arise, until the end of the fiscal year the expense will be about $10,000,000 per month. If this anticipation shall be realized, the war expenditure for the year ending June 30, 1899, will be less than $235,000,000. The loan and the war revenues will for the same period, if the revenues continue the same as for July and August, accumulate to meet these extraordinary expenses a fund of nearly $350,000,000. So that for the fiscal year there is a surplus of over $100,000,000 in excess of the cost of the war. Even this estimate of the surplus is probably not large enough, as it is highly probable that with the growth and expansion of business there will be further expansion of the revenues that will make the surplus pouring into the Treasury still more difficult to handle without disastrous effects upon the money market.

It is extremely important that steps be taken to prevent the dangers which threaten the business interests of the country from the locking up of cash in the Treasury at times when it may be required to carry on ordinary business.

It is the fault of the existing financial laws that they do not afford any efficient remedy either in case of deficient or excessive revenues. When the revenues are deficient and the Treasury is obliged to draw on its reserves, then apprehensions at once arise as to the ability of the Government to meet its demand obligations. The legal tenders and other demand obligations are then presented for redemption. The gold reserve is depleted, and the whole monetary system suffers from lack of confidence.

This condition of things the country experienced during the last Administration. The gold standard was only maintained by issues of bonds amounting to $262,000,000. The revenues during this period of distrust and depression failed to meet the ordinary expenses. Just as the finances of the nation were beginning to be re-established by a return of more prosperous business conditions, the war with Spain rendered a new loan and an increase of taxes unavoidable. No one could fairly measure the demands of a foreign contest of this kind, and the preparations made were affected more by a desire to show the overwhelming strength and potential resources of the United States, rather than by a knowledge of the actual requirement of the war. As a consequence the means at the command of the Treasury have now apparently become as far in excess of its requirements as they before fell short. The danger now comes from the opposite quarter, as it did in the years before the reduction was made in the revenues of the Civil War period.

If it were possible by action of Congress repeated at necessary intervals to adjust the revenues and expenditures so that the money would be paid out as rapidly as it came in, and also that there would be no deficiency at any time to excite alarm, then the business interests of the nation would be safe enough under its present financial laws. But such an adjustment of revenues to expenditures can never be permanent. Either the revenues will increase and cause a surplus, or they will diminish and cause a deficit. The laws authorizing the legal-tender and Treasury notes and the law creating the independent Treasury both endanger the business interests of the country; the former when the revenues are deficient, and the latter whenever the revenues exceed the expenditures and the cash of the country is drawn into the Treasury and hoarded up as a surplus.

The law creating the independent Treasury is in direct contrast to modern financial methods. No other nation of the same rank as the United States conducts its financial affairs by such a primitive system.

The danger of withdrawing money from general circulation by the collection of large revenues has always been recognized. One of the first measures for the fiscal welfare of the new republic after the adoption of the Constitution was the creation of a National bank, which should receive the Government revenues and through which disbursements should be made. This bank was thought to savor too much of monopoly, and when its charter expired in 1811 Congress refused by a close vote to renew it. The Government then began to use the State banks as its fiscal agents. These institutions were so imperfectly organized and acted with so little concert that they proved inadequate for the purpose, and in 1816 the second Bank of the United States was chartered by Congress. This bank carried on the fiscal operations of the Government, apparently in a perfectly satisfactory manner, until it was attacked by President Jackson, and finally was forced to succumb to a bitter political storm. The State banks were again tried and again proved inadequate to the task. There was a demand for a new National bank, but political feeling, still sore over the contest in which the old National bank was the prominent factor, prevented Congress from agreeing to a charter. The country was in desperate straits for some way of taking care of its cash, and a National bank such as had proved satisfactory in all other civilized countries, having been rendered hopelessly unpopular by political attacks, and therefore unavailable, the country was obliged to adopt what is known as the independent Treasury system and keep its own cash, just as business men and capitalists did before banks were invented.

This independent Treasury law was first enacted in 1840. It was repealed in 1841 and re-enacted in 1846, and since that date the United States has kept its money chiefly in its own chest.

When the revenues of the Government were small or at times when the expenditures were so adjusted in proportion to the revenues as to leave no surplus of any amount in the Treasury, the system did not show any grave fault. But when excessive revenues from month to month drew into the Treasury and hoarded there away from ordinary business uses, sums which seriously diminished the cash resources at the centres of trade, then the inadequacy of a Treasury affecting independence of all other financial interests becomes most disastrously apparent. If to-day the business men and capitalists of the country should follow the example of the United States Government, and instead of depositing their money in banks each kept it by him in his own safe or pocket, the effect on business would be at once apparent. The Government by withdrawing from circulation to store uselessly in its own vaults a surplus of $100,000,000, at once raises the rate for money in every market, and besides the actual cost it inflicts on the public it represses enterprise and encourages financial disaster, through the apprehensions that are aroused.

The remedy for this danger is a modification of the independent Treasury law, which will enable the Treasury to deposit to a much greater extent than it now does with the banks of the country. The National banking law permits the National banks to be used as fiscal agents by the Treasury. But the United States, in using the banks as depositories, insists on different treatment from an ordinary depositor. A National bank to qualify itself for receiving Government deposits must furnish security in a greater amount than the money received. The ordinary citizen makes his deposit without any other security than the credit of the bank, and the amounts so deposited with the banks of the country represent billions of dollars. The Government, however, requires a security, which affords the banks but very little profit on the use of the deposits, and the deposits with all the banks which are the holders of Government money have seldom exceeded thirty millions of dollars. Recently they have through the receipts of the new loan run up to over sixty millions. If the surplus revenue as it accrues is kept on deposit with the National banks, it will be available for use in the business of the country and will not cause the fluctuations in the money market which the segregation in the Treasury proper gives rise to.

There has been, however, in the past a dread in political circles of the use of the banks as depositories of public money, although by such use the public is saved from the dangers threatened by an accumulating surplus. It is plain to any unprejudiced observer that under present laws this is the only way in which money can be kept in circulation when the revenues largely exceed expenditures.

It is in the power and discretion of the Secretary of the Treasury to equalize the money market by a proper regulation of the amount of public moneys left on deposit with the National banks, and to prevent the stringencies which would be sure to occur from the accumulation of money in the Treasury itself. The exercise of this power and discretion is only necessary for such period as shall be required to reduce the revenues by legislation so that the danger of too great a surplus may be removed. What the length of such period may be is difficult to foretell. The air is full of rumors as to the future tariff policy of the country.

The conditions under which Congress will meet in December will be different from those which surrounded any Congress since the foundation of the Government. Elections for a new Congress will in the meantime have been held, and the result of these elections will have a great effect in modifying views and policies. Upon these results will hang not only the fate of the tariff question but also that of currency reform. It will certainly be in the power of the present Congress, during the remainder of its existence, to conserve and strengthen the lines of policy it has hitherto pursued; but if the fall elections should show a change in popular views, this fact cannot fail to render action of the retiring Congress less decided than it otherwise would be.

Great preparations have been made for the consideration of legislation looking to monetary reform. The education of the people upon this subject has been carried on with great energy during the past three years. The effects of it are already to be seen in the platforms of the State conventions which have been held. The old financial heresies appear to be losing their hold on the public mind. The efforts of those who have been struggling for the retirement of Government notes and the substitution of a sound and elastic bank currency should not be relaxed, and the reform in this direction should not be suffered to be confused with other issues.

The large surplus which is likely to result from the present revenue laws will, if rightly managed, make it easy to carry into effect the necessary reforms without embarrassing either the Treasury or the money market. But it is most important that the surplus shall not become a danger to the money market by a too strict adherence to the independent Treasury system. The free use of the National banks as depositories of the public money, making it available for the uses of business until it is required for expenditures, will avert any difficulty which may arise from this source.

Congress should enact a law by which the banks will be enabled to issue notes based to some extent on their general assets. This done, the legal-tender and Treasury notes may be safely retired as they are taken into the Treasury and form a part of the surplus. While this is being accomplished the new bank notes will fill up the place vacated by the retired notes. Whatever surplus still remains can be used to purchase bonds in the open market whenever the price warrants, or to refund portions of the bonded debt at lower rates of interest.

The issue of a bank currency under the plan embodied in the bill now before the House will render it much easier for the Government to obtain its outstanding bonds at reasonable prices. The large amount of these now held as security for circulation will be released and a considerable portion of them may be called and cancelled without having the effect of contracting the available stock of currency.

In fact the necessity for the passage of the bank currency bill as a first step to meet the situation in a prudent manner is more evident than ever. This passed, the retirement of the legal tenders and the management of the surplus revenues will become a comparatively easy task.

The enactment of the House Currency Bill will supply the element, now lacking, which will enable the banks and the Treasury to mutually support and strengthen each other. After this has been done Congress can set to work to reduce the revenues.

There will then be no danger that a temporary deficiency may arouse apprehensions of inability to maintain the gold reserve and cause a panic, as happened in 1893, for the legal-tender notes will no longer be in existence.

It is to be hoped that the new questions growing out of the war with Spain may not be permitted to obscure the issue of currency reform. The demand for intelligent and careful legislation on this subject has been emphasized by the financial conditions incident to the war, and with a full Treasury and an unprecedented stock of gold held by the Government and the banks, the time for such reform is most opportune.

FOREIGN BANKING AND FINANCE.

The Indian Currency Reform.

The committee appointed by the British Government to investigate the question of a gold standard for British India has completed the taking of evidence and the testimony was published late in August. The inquiry was directed largely to the proposals of the Indian Government for raising rupees to a gold parity by a contraction of the volume in circulation. The proposals of the Government, according to leading English financial journals, did not bear examination and are not likely to be recommended by the committee. The argument of Mr. J. F. Finlay, Secretary of the Finance Department of the Indian Government, was that the scarcity of currency would operate upon the exchange by lowering the prices of commodities and thus increasing the balance of trade in favor of India by stimulating exports and discouraging imports. But Mr. Finlay, when questioned regarding the operation of the same policy during the past five years, expressed the opinion that it had not produced a fall of prices. It was not clear from his testimony that any immediate influence upon exchange could be expected from melting rupees, even if the operation of a contracted currency could be made effective eventually upon prices.

It is probable that the Indian Currency Committee will report in favor of some plan for a gold standard in British India, but not in favor of the Government plan. It is declared by the London "Economist" of September 3 that from the evidence taken by the committee, "two broad conclusions might confidently be drawn, one being that the scheme proposed by the Indian Government has already been practically shelved, and the other that a return to the old policy of open mints for silver is out of the question." The "Economist" declares that other schemes have been before the committee and discusses one of them as follows:

"Of these, the chief is what is known as the Lindsay scheme, which has met with a considerable measure of approval and support. Briefly, what Mr. Lindsay proposes is that a sterling loan of £10,000,000 should be raised in London, and that amount of gold deposited either in the India office or the Bank of England to constitute what may be styled a Gold Standard Reserve. That done, the Indian Government should announce that it was ready to sell here to all applicants rupee drafts for sums of 15,000 rupees and upwards in exchange for sterling money at the rate of 1s 4 1-16d per rupee, and also to sell in India sterling drafts on London for sums of £1,000 and upwards in exchange for rupees, at the rate of 1s 3¾d per rupee. Under such an arrangement, it is contended, if stringency arose in the Indian money market capital would flow thither from this side to avail itself of the opportunity afforded for more profitable employment, because there would then be the certainty which at present there is not, that, if desired, it could be brought back again without any serious loss on exchange; while, on the other hand, if the Indian market was over-supplied, the redundancy would be corrected by the exchange of rupees for drafts on London. Thus the gold stock would not be drawn upon for hoarding or any other purpose than for exchange transactions, and to guard against an undue depletion of the gold reserve the Government would be authorized to withdraw rupees from circulation, melt them down, and buy gold with the silver thus obtained."

The Government object to this plan upon the ground of the indefinite liability created for finding gold for the redemption of rupees, but it is the general opinion in London that it is impossible to return to the policy of open mints and that it would create great disturbance. One of the chief objections made to the operation of the present plan of giving a scarcity value to the rupee is the stringency in the money market by which it has been accompanied. It is feared that this stringency will become more and more acute as trade expands, while the volume of the currency remains fixed. The difficulty in this respect seems to be due in a considerable measure to the banking system of India, which does not permit note issues except upon deposits of coin. A system of issues upon commercial assets would do something to remedy the difficulty, but it is also true that the fluctuating rate of exchange and the possibility of further experiments with the silver standard in India have resulted in withdrawals of capital. Upon this point and the means of remedying it, the "Economist" declares:

"At present high rates for money in India fail to attract loanable capital thither for temporary employment, because of the fear that a heavy loss may be incurred in bringing it back again. And that fear, it is maintained, would be greatly diminished, if not dispelled, if the Government not only distinctly declared its intention to resolutely work for the establishment of the gold standard, but also made its determination manifest by gradually but persistently accumulating a stock of gold. Very strong opinions to that effect were expressed by Lord Rothschild and Sir Samuel Montagu, and there can be no question whatever that doubts as to the permanence of the action of the Government have not only prevented to a very great extent the inflow of capital into India, but have led to withdrawals of capital thence, owing to a belief that while exchange could not rise above the maximum of 1s 4d, it might fall much below it, and that, therefore, it was best to take advantage of the higher exchange while that was possible."

Banking Operations in France.

An interesting analysis of the operations of the Bank of France for the past twenty years, in the London "Bankers' Magazine" for September, in connection with the returns of the operations of the five great credit societies of Paris, affords a striking idea of the volume of banking business which is now done at the French capital. The issue of checks has not been growing rapidly in France, but checks as there understood are drafts upon a bank in favor of a non-depositor and are required to be stamped. Transfers from one account to the other in the same bank (*virements*) are not classified as checks and reach an enormous amount where the banking business is largely conducted by a few great institutions. The clearings at the Paris office of the Bank of France by means largely of these transfer checks have grown from fifty-five per cent. of the transactions of the Bank in 1877 to seventy-six per cent. in 1895, and seventy-three per cent. in 1897. The employment of bank notes has fallen from forty per cent. in 1877 to twenty-two per cent. in 1895, and twenty-five per cent. in 1897, and the employment of specie has fallen from five per cent. in 1877 to two per cent. for each of the last four years. The whole volume of these transactions has grown from about $7,500,000,000 in 1877 to $13,500,000,000 in 1895, and $11,500,000,000 in 1897. The number of bills admitted to discount at Paris has grown from 3,480,629 in 1877 to 5,688,308 in 1897, and the number admitted to discount at the branches has grown during the same period from 3,521,938 to 8,994,271. The number of small bills has been steadily growing and it was necessary in 1897 for the agents of the Bank to make 2,562,910 separate visits to dwellings to present and collect small paper.

The business of the Bank of France has encountered in recent years severe and effective competition from the great discount houses or private banks. The *Crédit Lyonnais* is the largest of these institutions and showed on June 30, 1898, a commercial portfolio of 671,500,000 francs ($130,000,000), and deposits of 1,008,300,000 francs ($200,000,000). The other four societies are the *Comptoir d'Escompte*, with commercial securities on June 30, 1898, of 318,300,000 francs, and deposits at sight of 402,500,000 francs; the *Société Générale*, with commercial securities of 223,600,000 francs, and deposits at sight of 190,000,000 francs; the *Crédit Industriel et Commercial*, with commercial securities of 66,500,000 francs and deposits at sight of 99,600,000 francs; and the *Société Marseillaise*, with commercial securities of 28,500,000 francs, and deposits at sight of 34,800,000 francs. "*L'Economiste Européen*" of August 12, which presents these statistics in compact form, shows that these five societies had aggregate liabilities on June 30 of 2,036,900,000 francs ($400,000,000), of which 1,736,000,000 francs were payable at sight, and 300,900,000 francs were payable upon the obligations of the banks. The available assets amounted to 2,121,200,000 francs, of which 221,700,000 francs were in the cash reserve, 1,321,400,000 francs in commercial securities, 206,-000,000 francs in loans to brokers, and 372,100,000 francs in advances on securities. The available assets of this character at the close of 1896 were 1,798,100,000 francs. The maximum deposits of the Bank of France during 1897 were only about 540,000,000 francs, less than a third of the deposits of the five large credit societies and little more than half of the deposits of the *Crédit Lyonnais* alone. The figures given for the credit societies do not include the *Crédit Foncier*, the bank which makes loans upon real estate, because it does not do the same class of business as the other institutions. The *Crédit Foncier* had outstanding on June 30, 1898, obligations amounting to 3,164,200,000 francs ($600,000,000), in addition to current accounts of 80,400,000 francs.

Specie Suspension in Chili.

The attempt to maintain the gold standard, which was inaugurated under favorable auspices in 1895, has broken down in Chili as the result of political anxieties and the hasty decision of the Government to issue paper money. The controlling political cause of the collapse was the fear of war with the Argentine Republic over the boundary. A run was begun for the redemption in gold of the notes of the banks, which were required to maintain their redemption fund in the hands of the Government. The disorders which ensued lead to an act authorizing the issue of 50,000,000 piastres ($17,000,000) in Government notes. This added to the conviction in financial circles that the gold standard could not be maintained, and when the Government offered to sell gold for paper the metal went to a premium of from thirty-seven and one-half to forty-six per cent. These were the actual prices obtained for sums of 150,000 piastres sold at Santiago and 300,000 at Valparaiso. Great indignation was aroused in the mercantile community and orders for imported merchandise have been largely cancelled.

An effort has been made to maintain Chilian credit in Europe by the issue of a pamphlet by Senor Don Ricardo Salas Edwards, First Secretary of the

Chilian Legation in London, purporting to give "a full and frank explanation of the true financial position of the Chilian Government." Senor Edwards maintains that the budget of last year showed a surplus of $300,000, without touching on the cash balance of $5,000,000 brought over from 1896, and that still better results are expected for 1898. He explains that the 50,000,000 piastres of paper money which have been issued "are to be redeemable in gold in the course of three and a half years." The issue, he says, is to be lent to the banks against securities, charging them a moderate rate of interest. He adds that "This arrangement gives the issue, although temporarily inconvertible, the character of a gold currency, as the security therefor is based entirely on gold, the present difficulty being bridged over by issuing legal tenders against gold securities." The gold character of the currency does not, however, seem to inspire much confidence in Chili or elsewhere, and the "Chilian Times" declares that the resort to paper money, "means of course the emigration of gold and the relapse of the country to the condition of a few years ago, when Chili was running Peru hard for the first place in depreciated currency." Hopes are still entertained in some quarters that the effort to maintain cash payments so bravely begun in 1895 may be resumed within a short time. The London "Economist" says:

"It is easy to see how very adversely the return to a forced paper currency, and the consequent heavy drop in exchange, must affect the Chilian finances by increasing the burden of all foreign payments. But Chili has kept faith with her creditors in the past, even when suffering under a depreciated currency, and if only she would settle her differences with Argentina, she might reckon upon the aid of foreign capital to tide her over the difficulties in which she has become involved. But until such a settlement is effected, no financial or other statements, however satisfactory they may appear, should induce investors to lend her more of their money."

Progress of the Berlin Banks.

A recent article in the Berlin journal, *Die Nation* by Mr. M. E. Heinemann, makes some calculations as to the condition of the banks of the Prussian capital which indicate the remarkable growth in German banking in recent years. The eleven large banking institutions outside of the Imperial Bank, founded at various dates from 1848 to 1881, have increased their capital from 188,100,000 marks ($47,000,000) at the date of their foundation to 769,000,000 marks ($190,000,000) at the close of 1897. Since the commencement of the present year these banks have increased their capital by additional amounts of 50,000,000 marks, carrying the total (not including the reserves) to 819,000,000 marks ($204,000,000). The movement of funds in these banks, representing to some extent the clearing of obligations among customers of the bank, has reached the sum of 94,618,000,000 marks ($23,000,000,000). The Deutsche Bank enjoyed 37,913,400,000 marks of this business and the Dresden Bank 17,883,500,000 marks. Three of the banks did not report their whole volume of transactions, so that the reported total is considerably below the actual business done. The assets of the eleven banks include 198,900,000 marks in cash and cash items, 534,400,000 marks in bills of exchange, 303,000,000 marks in loans to brokers, 1,146,100,000 in advances on deposits, and 292,100,000 marks in drafts. The total of these and other small items is 2,641,000,000 marks. The liabilities include 1,078,700,000 marks in deposits and 512,200,000 marks in acceptances.

M. Maurice Block, in summing up these figures in "*L'Economiste Francais*" of August 6, shows that thirty-nine per cent. of the assets consists of resources which can be immediately realized, and these liquid assets make up sixty-one per cent. of the engagements of the banks. The Deutsche Bank shows total engagements of 525,200,000 marks and liquid resources of sixty-four per cent. of this amount. M. Block adds that the real proportion of available assets is even larger, because there has not been computed 1,146,100,000 marks in advances upon securities, which could be realized to a large extent in case of need. The Berlin money market has been growing less stringent recently and the liquidation of the close of July led to no difficulties. The metallic reserve of the Imperial Bank increased 19,000,000 marks in the week of August 8 and 10,500,000 marks in the week of August 15, and the reserve of notes has grown during the same two weeks from 80,300,000 marks to 155,500,000 marks.

Returns for all the German banks for 1897, covering eight banks of issue, forty mortgage banks and 102 credit societies, show a total capital at the end of the year of 2,163,500,000 marks ($525,000,000) and a reserve of 461,200,000 marks. The statistics of 1883, when these returns were first made, covered 119 banks with a capital of 1,248,700,000 marks ($310,000,000) and reserves of 174,400,000 marks. Deposits, which attained only 7,021,000,000 marks in the period of expansion in 1889, rose at the end of 1897 to 11,246,100,000 marks ($2,800,000,000). The average dividends have not changed radically, but reached their maximum since 1889 last year. The dividend of 1883 was 6.74 per cent.; in 1886, 6.19 per cent.; in 1889, 8.09; in 1895, 7.38; in 1896, 7.63; and in 1897, 7.57.

A Bank of Industrial Securities.

The Special Bank of Industrial Securities (*Banque Speciale des Valeurs Industrielles*) which was referred to in the BANKERS' MAGAZINE for June last, has recently published a statement for July 31, which indicates a high degree of success. The mission of the bank, as declared in one of its publications, consists in seeking commercial and industrial enterprises in a prosperous condition and converting them into stock companies. It is declared that this policy develops such industries by aid of the more abundant capital put at their disposition. "This role," it is declared, "is equally favorable to the enterprises themselves, which enter upon a new degree of activity, and to the shareholders, who find in the securities of these new corporations returns which are not offered by the better known securities, where the revenue is either completely or nearly fixed and where quotations have reached a level such that the rate of capitalization no longer presents an adequate return." It is added that the facility with which these securities are absorbed by the public, the eagerness with which they are sought, and the increased value already attained, prove sufficiently that the public appreciate the securities, which afford with safety for the present the prospect of a still more favorable future.

Whatever may be the final fate of some of these enterprises, the bank has thus far protected itself by pursuing the policy of transferring them to the public and carrying the profit to the credit of its shareholders rather than loading up with the securities. Its report for July 31 showed assets of

17,886,261 francs ($3,500,000), of which 2,888,925 francs consisted of capital not called in, 183,776 francs in cash and 7,468,564 francs in deposits in the Bank of France, in four of the large credit societies, and in one private bank. In addition to these absolutely liquid resources, the Bank had advances upon securities to the amount of 2,249,938 francs, and shares in commercial and industrial societies to the value of only 1,512,000 francs. The liabilities cover the capital, 5,945,059 francs in current accounts, and 1,941,201 francs to the account of profit and loss. A dividend of five per cent. has been already distributed and shareholders in the Bank have the first choice of subscriptions to one-half the capital of the new enterprises which it undertakes to float.

Cost and Finances of the Spanish War.

Interest has been aroused in Spain as well as the United States since the close of their recent war regarding the cost on both sides. The figures which have been made up in Madrid deal with the funds provided for the war rather than the objects of expenditure and go back to March, 1895, when the insurrection in Cuba began. A Spanish journal presents the following figures for the loans raised from March, 1895, to June, 1898:

Character of resources.	*Pesetas.*
Net product on sale of 322,914 Cuban bonds (*billetes hipotecarios de Cuba* of 1890)	126,211,274
Net product on sale of 60,000 Cuban bonds of 1886	23,924,484
Net product on loan of 400,000,000 pesetas with the guarantee of the Customs	372,000,000
Profits on drafts from Paris, purchase of silver, etc.	4,331,691
Loans from Bank of Spain—	
On guarantee of Cuban bonds	292,000,000
On guarantee of Customs loans	241,000,000
On guarantee of various duties	160,000,000
On guarantee of four per cent. interior bonds	145,000,000
Philippines loan	185,000,000
Total	1,554,467,449

These figures, representing $300,000,000 at the gold parity, do not cover a large amount owing for transport and war material, or for pay, provisions and material owing in Cuba. The first-named amount there is no means of ascertaining; the last does not come to less than 320,000,000 pesetas. Consequently, the total of what is certainly known to have been spent amounts to 1,874,000,000 pesetas. It is currently reported that recourse has been had to the money given by national subscription for promoting the navy, and that 23,000,000 pesetas of this sum has been appropriated.

The Queen Regent signed on August 10 a decree authorizing the Bank of Spain to increase its note circulation to a maximum of 2,500,000,000 pesetas ($500,000,000). It is required that the metallic reserve, whether of gold or silver, shall equal one-half of the circulation up to 2,000,000,000 pesetas and two-thirds of the circulation when it exceeds 2,000,000,000 pesetas. This measure is much regretted by financiers in Madrid and Paris, because it seems likely to make exchange still more adverse than at present and to add to the burdens of the Spanish Government. M. Paul Leroy-Beaulieu, in a series of articles in "*L'Economiste Français*" reviewing the finances of Spain, urges that the circulation of the Bank should be reduced to 700,000,000 or 800,000,000 pesetas in order to bring exchange back to the neighborhood of par. The circulation of the bank was only 294,000,000 in 1881 and exchange was then at par. The circulation had increased in 1885 to 424,000,000 and exchange had fallen two and a half per cent. The amount was only 854,000,000 in 1892, when the notes were nearly twenty per cent. below the gold parity, but has recently crossed the limit of 1,400,000,000 pesetas. M. Leroy-Beaulieu contemplates the reduction of interest payments on the foreign debt of Spain, but seems to think it necessary to raise the notes of the bank to the old gold parity rather than to resume gold payments at a reduced rate of exchange. He says that the Government ought to do everything to avoid the increase of the circulation, adjourning even, if possible, the regulation of the floating debt until a general scheme of financial and fiscal reform can be perfected. He suggests that if the Treasury could obtain 60,000,000 pesetas in gold by renewing the arrangement with the Rothschilds regarding the quicksilver mines of Almaden, it would reduce by so much the demands upon the Bank. He thinks that other bankers might make some advances to the Government and that, in any event, it would be better for the Bank to draw 100,000,000 pesetas from its gold reserve rather than to increase its circulation. The Government in the meantime is purchasing largely of silver for providing a circulating medium. Authority has been given to the Minister of Finance to purchase 250,000 kilogrammes of silver and 50,000 kilogrammes have already been purchased. The amount authorized will permit the coinage of about 41,000,000 pesetas ($8,000,000), which will afford a seigniorage to the Government of about 15,000,000 pesetas ($2,900,000).

The "Official Gazette" has published the expenses of the first half of the current year, covering the war expenses in Cuba from January 1 to June 30. The total disbursements are stated at 437,231,313 pesetas ($87,000,000) representing a monthly average of 72,945,000 pesetas. The credits obtained during the same period are stated at 497,369,450 pesetas, of which 375,275,634 pesetas was furnished in notes of the Bank of Spain. It is computed that the expenses for the army in Cuba, Porto Rico and the Philippines were more than 1,000,000 pesetas a day, and the cost of returning the army to Spain and sending reinforcements to the Balearic Islands and to the Canaries is computed at 50,000,000 pesetas.

The Banking Situation in Italy.

There appears to be some improvement in the status of the banks in Italy, notwithstanding foreign exchange continues unfavorable. The recent report of the Government inspector declares that the note circulation of the banks of issue has been constantly decreasing and that the affairs of these banks are following an orderly course. The influx of Italian securities purchased abroad by Italian capitalists has ceased, because of the higher quotations and the unfavorable exchange. The importations of cereals are believed to have affected the exchange unfavorably, but such importations have now been reduced to a minimum.

There has been recently a marked improvement in the quotations of the shares of the Bank of Italy. This is due in a measure to the acceptance by the governing board of the Bank of an arrangement with the government of the City of Rome concerning some former property of the Bank. The Bank will receive from the municipality a sum of 4,000,000 lire ($800,000) of which 1,000,000 lire will be paid at once. Steps have also been taken, according to the Rome correspondent of "*L'Economiste Européen*" in the issue of September 9, by which the securities of the Bank locked up in real estate and other non-liquid obligations will be reduced to 260,000,000 lire. The Minister of the Treasury has suggested to the leading banks that they reduce from five to four per cent. the official discount rate. The governing board of the Bank of Italy has already considered the question, but has been opposed to a reduction because of monetary conditions and the high premium upon gold. A real reduction upon the highest class of commercial paper will probably be made from four to three per cent., a lower rate being accorded upon favored securities than the official rate. It is believed that by this measure the operations of the banks will be increased and the best class of paper will be attracted.

Foreign Bonds in Arrears.

The Council of Foreign Bondholders, which was formed in England many years ago to protect the holders of securities of nations careless about their credit, continues to publish yearly a statement of bonds in arrears and the position of different countries whose finances are involved. The issue for 1897 expresses gratification over the resumption by the Argentine Republic of the payment of its exterior debt within the limit fixed by the recent arrangement with the Rothschilds. Another gratifying fact is the action of the Republic of Uruguay, in spite of political disturbances at home, in continuing to remit punctually to Europe the forty-five per cent. of its customs taxes pledged to the service of the consolidated foreign debt. Unfortunately, however, these taxes suffered a decline up to last December which did not leave a sufficient surplus for the Februay payment to the sinking fund. The proportion assigned to the foreign debt in 1897 was 3,724,220 piastres ($3,800,000), which was about 860,000 piastres less than in 1896. The debt of Honduras has risen to £17,000,000, but it is hoped that the American syndicate which has recently been formed will make an equitable arrangement with the creditors. The aggregate of loans in default and unadjusted of which the society takes cognizance was, at the close of 1897, £46,530,603. This includes £2,418,800 of the old Confederate debt and some bonds of Louisiana, Mississippi and Virginia.

The National Bank of Servia.

A royal decree of July 23, 1898, has authorized the increase of the silver circulation of the National Bank of Servia to 30,000,000 dinars ($6,000,000). The new decree modifies the law of February 6, 1896, which fixed the circulation at 25,000,000 dinars, independently of any excess of the cash reserve above the required forty per cent. This issue of 5,000,000 dinars for the financial operations of the Bank is distinct from the temporary loan of 10,000,000 dinars in the form of notes granted for ten years to the Government by the decree of March 22, 1898. This loan pays an interest of two per cent. to the Bank and is to be reimbursed at the rate of 83,333 dinars per month or 1,000,000 dinars per year.

Servia is substantially upon the silver basis, although there are a few notes in circulation based upon gold. The notes valued in gold are required to be covered by a reserve containining at least three-quarters gold, while the silver notes are covered by a silver reserve. The decree of March 22, making a forced loan of 10,000,000 dinars from the Bank was declared to be necessary by reason of the failure to float upon advantageous terms the loan of 70,460,000 dinars authorized by the conversion act of July 8, 1895.

State of the Swiss Banks.

The condition of the Swiss banks on June 30, 1898, shows an effective circulation somewhat in excess of the June record of previous years, but below the maximum of the close of 1897. The circulation at that time was 211,590,000 francs ($41,000,000), which was the maximum of the year, while the minimum, on March 6, was 172,877,000 francs. The effective circulation on June 30, 1898, was 195,801,300 francs, which was an increase of about 6,300,000 francs over the amount on May 31. The gross circulation on June 30 was 217,011,950 francs, which is only a trifle below the maximum on December 31, 1897, but a larger proportion of the notes are now locked up in the banks. The required metallic cover of the circulation on June 30 was 81,715,720 francs and the excess of available specie was 22,977,359 francs. The credits of the banks for short terms were 118,085,287 francs and bills of exchange upon Switzerland were 160,400,350 francs. Loans upon mortgages were 533,114,769 francs and the total of credits for extended terms was 967,579,725 francs. The current accounts at short notice were 102,508,328 francs and the engagements for long terms were 774,489,863 francs. The latter item included 282,130,553 francs in Savings bank deposits and 444,642,199 francs in deposit bonds and obligations.

Banking and Financial Notes.

—The issues of new securities in Great Britain during the month of July reached the unusual total of £46,654,244, as compared with issues in June of only £15,473,793. The result of these large applications for capital was an active demand for money in August, when payments were called for upon the new issues. The estimated payments in August were £14,988,368, as compared with £4,918,042 in July and £6,507,529 in June. The new issues of July included £15,575,277 in public loans, £25,587,000 for forty-two commercial and other corporations, and £4,639,967 for increases of capital of existing associations. The Bank of England raised its discount rate from two and a half to three per cent. on September 22.

—In spite of some business depression in Austria-Hungary, a big electrical company was founded early in August under the title of "Society of Electrical Enterprises Throughout the Empire," with a capital of 3,000,000 florins ($1,200,000). It is declared by the Vienna correspondent of "*L'Economiste Européen*," in the issue of August 19, that the creation of such an enterprise in the midst of such an economic crisis is a fact worthy of remark. "New enterprises are so rare in Austria," he says, "that the foundation of a new corporation is a genuine event. The special conditions under which this corporation was created indicate that it will produce an awakening of financial enterprise, and it is not impossible that it will give a great impulse to the creation of other great affairs which have been under consideration for a long time but which there has been lack of opportunity or of courage to launch."

C. A. C.

National Bank at Brussels.

Principal Façade Rue du Bois Sauvage.

THE NATIONAL BANK OF BELGIUM.

THE EXPERIENCE OF BELGIUM WITH THE BIMETALLIC SYSTEM.

The history of the present National Bank of Belgium dates only from the year 1850. The Bank is, however, the outgrowth of several previous efforts to establish a national institution, and the monetary history of Belgium during her entire national life possesses peculiar interest, because of its exhibition upon a limited stage of the difficulties which have been encountered in France and other bimetallic countries in maintaining the parity of gold and silver coins issued at a fixed ratio.

Belgium became an independent sovereignty in 1830, after the failure of the device adopted by the Congress of Vienna for linking the fortunes of the Flemish provinces with those of Holland. The neutrality of Belgium is practically guaranteed by the great powers of Europe, and her peculiar freedom from large military and naval expenditures has enabled her economic life to attain a development which is outstripping that of many other Continental countries. The birth of the new Kingdom found large financial affairs in the hands of the General Association for the Promotion of National Industry (*Société Générale pour favoriser l'Industrie Nationale*). This institution, founded in 1822, had enjoyed high favor with the Dutch Government and was authorized to receive the payment of taxes and perform other public services. The new government of Belgium felt compelled to turn to the *Société Générale*, in spite of its Dutch sympathies, because it was the only large banking institution of the country. The Bank regarded its services as indispensable and refused to submit to the control of the Court of Accounts in its relations with the Treasury. So much feeling was caused by this action that a committee of the Senate on the Budget of 1836 requested the Government to signify before the first quarter of 1836 that it renounced the services of the *Société Générale* from the end of the year and would occupy itself seriously and without delay in obtaining a new service. It was added that if this measure was not consummated for the fiscal year 1837, the unanimous opinion of the members of the committee would be in favor of the rejection of the budget—a measure which they admitted to be grave, but considered indispensable to bring the Government back into its constitutional path.* The Bank of Belgium was the result of this conflict. The new institution was established in February, 1835, and it was provided in its charter that the Bank should receive the deposits of the Ministry of Finance for an interest of one per cent.

Unsound Policy of the Early Banks.

Neither the *Société Générale* nor the new Bank were conducted upon the sound principles which should govern a bank of issue. They loaned largely upon long term obligations, including mortgages, and engaged in various

* Octave Noel, *Banques d'Emission en Europe*, I, 548. Paris, 1888.

commercial enterprises. The *Société Générale*, in the language of M. Courcelle-Seneuil, "with statutes suited exclusively to a commercial bank of circulation, had become by degrees the centre of all the credit enterprises of the country, and ended by becoming essentially a bank of investment. Treasurer of the State, depositary of the sums amassed by saving and foresight, lender alike upon mortgages, public securities and merchandise as well as commercial paper, shareholder and founder of almost all the great enterprises of the country, it issued side by side money bills and interest-bearing time obligations, combining thus almost every banking operation."* It is not surprising that such a combination of functions brought the Bank into difficulties when values declined and there was a scramble for money, but in 1835 the fundamental error of basing note issues upon non-liquid assets was not fully understood. The *Société Générale* enjoyed so high a credit that its methods were followed by the new bank, which soon held a large proportion of securities not quickly realizable for the protection of its mass of demand liabilities in the form of notes and deposits.

A crisis loomed on the horizon in 1837, which became acute in 1838, when trouble with Holland was threatened over the boundaries of Limbourg and Luxembourg. The banks were compelled to maintain the convertibility of their notes and at the same time to succor the industrial enterprises which they patronized. The result was a rapid shrinkage of their metallic reserves and the suspension of specie payments. The older institution took advantage of the occasion to cripple its rival by presenting for redemption in coin on December 4, 1838, 1,000,000 francs in notes. Six days later, on December 10, another sum of 1,200,000 francs was presented, and on December 15, 300,000 francs. The Bank of Belgium was forced to suspend, and to accept the assistance of the Government. A law was enacted on December 28, 1838, placing at once at the disposal of the Bank 2,600,000 francs for the payment of its notes and other credits and providing 1,400,000 francs for the repayment of the savings deposits, which were also under the charge of the Bank.

This aid did not give strength to the Bank of Belgium. Its transactions were restricted in amount, but continued to be based upon unsound principles. The Government was compelled by the course of events to turn again in 1842 to the *Société Générale*, which no longer refused to submit to the legitimate control of the Treasury. The society applied for the extension of its charter for twenty-five years, but the Government was looking forward to a National bank planted upon firmer foundations than the Bank of Belgium and in granting an extension of the charter of the *Société Générale* reserved the right to modify it before the end of 1849. The crisis of 1848 obliged the Association to suspend specie payments and provided the Government with a plausible reason for putting its plans in execution. Both the Bank of Belgium, which was still doing business, and the *Société Générale* were protected for the moment by the Act of March 20, 1848, making their notes legal-tender, but limiting the issues. With the beginning of the year 1849 the President of the Council of Ministers, M. Frère-Orban, whose recent death was so widely regretted among financial students, submitted to the *Société Générale* a project of reform, upon the acceptance of which the Bank might become a National bank. Such radical changes were made in the character of the business of

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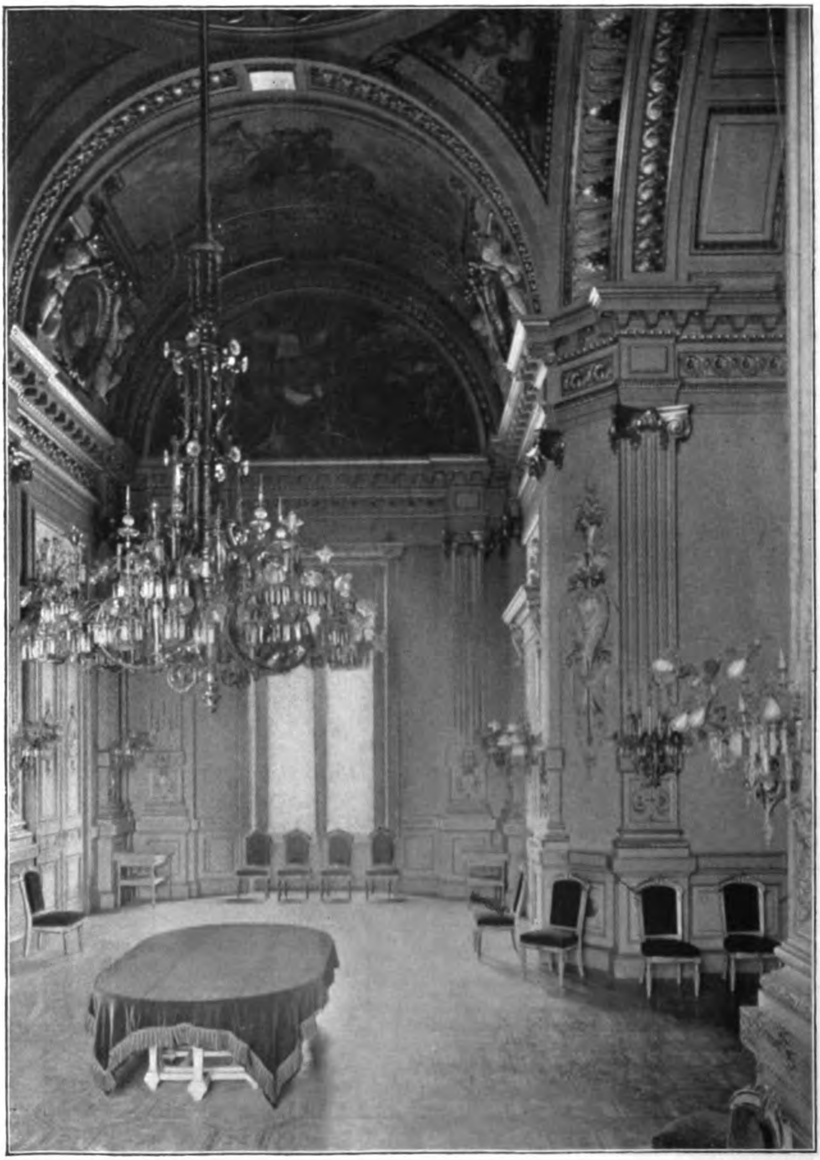
* *Traité des Opérations de Banque*, 382. Paris, 1896.

Meeting Room of the General Council.



Meeting Room of the General Assembly.

the Bank in order to adjust it to the conditions of a bank of issue, that an acceptance of the new propositions was hardly expected or desired. The Government was prepared for the creation of a new institution devoted wholly to the issue of notes and the negotiation of short-time commercial paper. Such a project was given form by the creation of the present National Bank of Belgium.

The Development of the National Bank.

The new National Bank was created by a law of May 5, 1850, which gave it corporate life for twenty-five years. The capital was fixed at 25,000,000 francs in shares of 1,000 francs each. The operations permitted the Bank were those properly belonging to a bank of issue and included the discount and purchase of bills of exchange, transactions in gold and silver, the collection of paper, the receipt of deposits, and advances upon national securities and other securities guaranteed by the Government, within limits to be fixed periodically by the administration of the Bank with the approval of the Minister of Finance. The classes of operations which had wrecked the issuing business of the older banks were forbidden to the National Bank. It was not allowed to borrow or make loans upon mortgages, nor upon industrial securities, nor to lend on its own shares or to buy them.

The Bank was forbidden to take any part, direct or indirect, in industrial enterprises, to engage in any sort of commerce, except that in gold and silver, or to acquire other fixed property than that necessary in the conduct of its business.*

The restricted volume of commercial transactions in Belgium half a century ago, and the competition of two powerful rivals, made the support of the Government of value in giving the Bank prestige and financial profits. Prudence and skill were exercised by the management, but would not have prevented a severe struggle for existence if the growing volume of business resulting from machine production and modern means of communication had not increased the opportunities for all the banking institutions of the country. Nearly twenty years passed, from the foundation of the Bank to the breaking out of the Franco-Prussian war, without carrying the volume of the annual discounts above $260,000,000 or above an average at any one time of $50,000,000. The struggle between France and the new German Empire had a remarkable effect upon the National Bank of Belgium. Belgium was neutral soil and afforded a refuge for commercial dealings from both the belligerent countries. The security of the little kingdom was not so great, however, that there was not some fear at home that the neutrality of Belgian soil would be violated by one of the powerful belligerents and that Belgium might be dragged into dangerous complications. The fear that Belgium might become involved in the struggle led the Government to adopt measures which were very injurious to the Bank and tended to accentuate rather than to alleviate the risk to public credit. It was decided to require the Bank to transfer the metallic reserve, representing a balance due the Treasury, to the principal branch at Antwerp, which now occupies the handsome building on the *Avenue des Arts* shown in our illustration. The result of this policy, together with the pressure for commercial accommodation and the redemption of notes, has

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* *Loi autorisant l'institution de la Banque Nationale* (5 Mai, 1850), Art. 9.

already been described by the present writer in terms which may conveniently be repeated here:*

"The Bank was informed on July 13 that this transfer must be effected without delay. An attempt was made to carry out the movement secretly, but the news became public that the metallic reserve had been removed from Brussels and caused great popular alarm. The Government, instead of sustaining the Bank, issued two more stupid orders—one to the agents of the Finance Department in the provinces, not to permit their cash to be exchanged for bank bills, and the other to the chiefs of the military forces, to exchange bank bills in their military chests for coin. Notwithstanding this apparently deliberate effort to discredit the bank, the Government refused to permit the suspension of specie payments and held the institution strictly to the performance of the obligations of its charter. The orders regarding the public funds and the military chests were so palpably unwise that they were quickly revoked, and an order was given to pay everything in bank bills which could be so paid, and to exchange large bills at the agencies of the banks for small ones, in order to facilitate payments in bills.

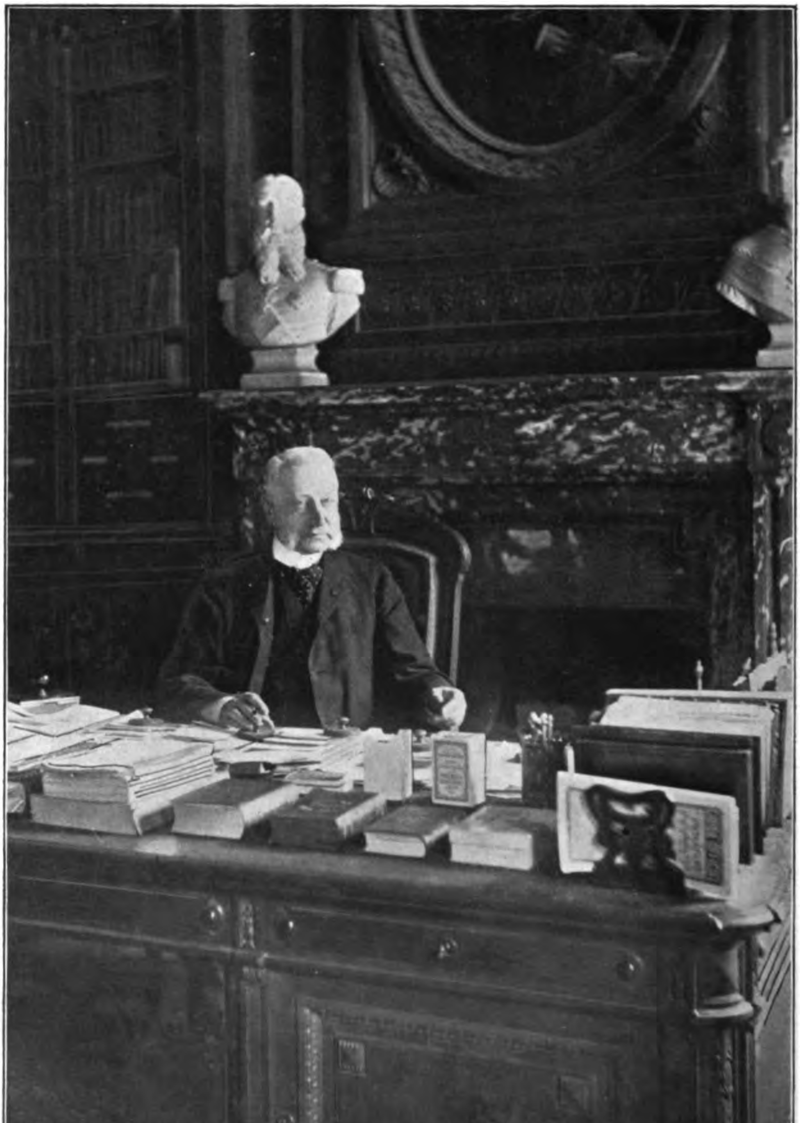
The discounts of the bank increased from 177,500,000 francs on July 10, 1870, to 203,923,100 francs on July 20, and to 223,231,744 francs on July 31. While assistance was thus rendered to commercial credit, the presentation of notes for redemption rose from a daily average of 600,000 francs ($120,000) during 1869 to a daily average of over 1,000,000 francs ($200,000) during the eighty-two days from July 1 to September 20, 1870. The amount presented on July 20 was 6,282,000 francs ($1,250,000) and on the next day 7,025,000 francs ($1,400,000), and the daily average from July 15 to July 30 was 2,094,000 francs ($415,000). The bank was able to meet these demands by appeals for loans of coin from London, Amsterdam, Hamburg and Paris, and by realizing the bills drawn on foreign countries which it had in its possession. These bills, which amounted at the outbreak of the crisis to 64,144,561 francs, were reduced on July 31 to 7,227,333 francs. The proceeds were employed in the purchase of bullion, principally in silver, which the mint rapidly coined into crowns. The bank was thus enabled to meet every demand and to reduce the rate of discount as soon as the crisis was over. The rate of July 15 was two and a half per cent., but this was increased to five per cent. between July 15 and August 5, and to six per cent. from August 5 to August 27, and even to seven per cent. for bills drawn in foreign countries on Belgium. The 27th of August saw the worst of the crisis over, and the domestic rate fell to five and a half per cent.; on September 20 to four and a half per cent.; and on October 8 to three and a half per cent."

The Bank availed itself of the privilege of paying its notes only at Brussels, which was allowed by the law, but in all other respects met the reasonable demands of commerce at home and abroad. The emptying of its portfolio of foreign bills to obtain gold subjected the Bank to a loss of 705,340 francs ($140,000), but this was considered a small price to pay for the maintenance of solvency. The public alarm was so great over the foolish orders of the Government that a commission was appointed by the Department of Finance on July 19 to study measures for calming the public excitement.

The Bank could not wait for the slow movements of Government commissions, and before any official measures had been taken normal conditions had been restored by its own action. With so much credit did the Bank meet the test of 1870 that Belgian bank notes were specifically named in the treaty between Germany and France as one of the forms of money in which the war indemnity might be paid by France. A considerable share of the exchange business required by this great transaction was done through the National Bank, and Belgian francs appeared to the amount of 147,004,546 francs in

* "A History of Modern Banks of Issue, With an Account of the Economic Crises of the Present Century," 253-55. New York: G. P. Putnam's Sons, 1896.

Grand Stairway of the Bank.



Office of the Governor, M. Van Hoegaerden.

the payment of the two milliards to Germany and 148,700,000 francs in the payment of the three milliards.*

Another period of stress was felt in 1882, when the collapse of the great copper corner caused a crash in Paris. The speculative demand for money increased the discounts of the National Bank by 43,000,000 francs during January, 1882, but the decline in the metallic reserve was limited to 8,000,000 francs by the free use of the foreign paper held both in the portfolio of the Bank and in that of the Government. The solvency and general soundness of the National Bank were not threatened for a moment, but for six days the discount rate was kept at nine per cent. for foreign paper drawn upon Belgium. This course arrested speculation, by destroying the profit of arbitrage transactions, and left in the Bank for the use of legitimate commerce at home the bulk of its resources. The intensity of the crisis may be judged from the declaration of the annual report, that "The day when the agitation of the Paris market forced us to this measure, the Bank of England advanced to eight per cent. the rate for advances upon securities, and in spite of this, saw its metallic reserve diminish 25,000,000 francs in a day."† The career of the National Bank since that time has not been interrupted by serious dangers, but the competition of the great discount banks has arrested in some measure the expansion of its business, and the maintenance of the gold standard has demanded constant watchfulness on the part of the officials of the Bank as well as the most far-seeing statesmen of Belgium.

The Renewal of the Charter.

The original charter of the National Bank expired in 1875. An extension was authorized, if asked by a majority of the shareholders and voted by the Government. Action was taken nearly four years in advance of the expiration of the old charter, when on February 3, 1872, the shareholders presented to the Government the project of a new law. An understanding with the ministry was promptly reached and a favorable report made on February 25, 1872, upon the bill extending the charter. The life of the Bank was extended thirty years from January 1, 1873. The capital was increased to 50,000,000 francs by the issue of 25,000 new shares for 1,000 francs at a price of 1,100 francs, of which the premium was to be added to the reserve. A sum of 600 francs was required on each share from the subscribers and the remaining 400 francs was levied upon the reserves of the Bank, reducing them from 16,000,000 francs to about 3,500,000 francs. Several changes were also made in the relations between the Bank and the Treasury. M. Frère-Orban lead the debate in the Chambers in support of the measure of the Ministry and declared that an extension of the charter was bound up with the interests of the industry and commerce of the nation. The Bank, he declared, had already given Belgium her commercial education in the matter of credit circulation, but there were new services to be rendered and the Bank could do more than it had yet done. The bill passed both houses with little opposition and received the royal approval on May 20, 1873.

The debate over the charter brought out some interesting statements regarding its character and the functions of the Bank. Belgium was felicitated that her National Bank did not owe its birth to the necessity for borrowing

* Léon Say, *Les Finances de la France sous la Troisième République*, I, 372. Paris, 1898.
† *Rapport fait par le Gouverneur, sur les Opérations de l'Année 1882*, February 28, 1883.

money on the part of the Government. Some of these establishments, said the report made by the Ministry in discussing other great banks of issue, "owe their origin to the necessity of obtaining capital; others have been forced, so to speak, to confuse their finances with those of the Government. It is in separating them that it is possible to establish orderly conditions. It is necessary to separate private credit as much as possible from the shocks to which governments are subjected. One cannot count sufficiently upon the wisdom of public men to believe that, in moments of distress, they will not avail themselves of any resources which may be at their discretion."*

The Commercial Operations of the Bank.

The commercial operations of the National Bank of Belgium expanded gradually from the time of its creation until the height of the speculative period in 1873. The volume of commercial business in Belgium was small when the Bank was incorporated in 1850, and it encountered the acute competition of the two institutions which had been entrusted at various times with the care of the public funds. Its obligations towards the Treasury imposed the necessity of establishing offices wherever the Government required, and its founders also endeavored to create commercial branches with the avowed purpose that no merchant or manufacturer should be without the benefits of credit. The development of discounts from 1851 to 1857 did not carry the amount in the latter year to more than three times the amount in the first year. It was not until 1868 that the figures of 1857 were doubled and the Bank was about entering upon a career of prosperity when it was submitted to the severe test of the Franco-Prussian War. Discounts reached a maximum in 1873, which was not surpassed until 1885, although the aggregate of all classes of transactions increased about fifty per cent. from 1873 to 1887. The figures for such transactions cover all payments into the Bank and include many gratuitous services and the new conveniences extended by the Bank to the public. The figures of these aggregate transactions for representative years since 1872 have been as follows:

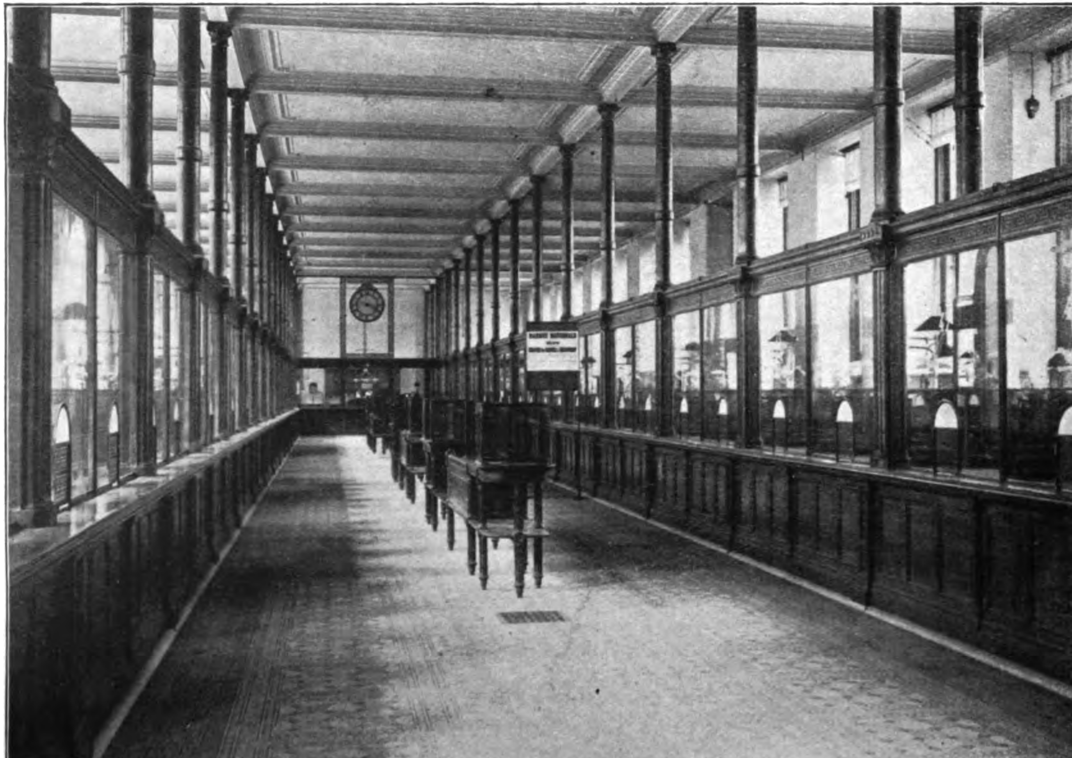
Year.	Total operations. Francs.	Year.	Total operations. Francs.
1872	13,035,434,872	1887	19,151,684,378
1873	14,426,450,646	1893	19,084,647,081
1880	16,770,452,220	1894	19,562,149,358
1883	17,988,680,730	1896	23,794,145,718
1885	15,969,846,743	1897	23,880,970,766

Belgium has expanded rapidly in the volume of her manufacturing and commercial business since 1873, but the National Bank has suffered, like the Bank of France, from the competition of the great discount banks and credit societies. It was these influences which kept the volume of discounts nearly stationary for twelve years after 1873, but in recent years there has been some progress. The Bank is required by its statutes to discount only commercial paper to order, properly stamped, based upon an actual transaction, maturing in not more than 100 days, and guaranteed by three solvent signatures.† Paper with two signatures may, however, be received under conditions determined by the General Council of the Bank and approved by the Minister of Finance. These conditions are referred to under the subject of branches.

* Noel, *Banques d'Emission en Europe*, I, 557.

† *Effets de commerce à ordre, timbré, ayant une cause réelle.—Statuts approuvés par Arrêté Royal du 17 Juillet, 1872, Art. 26.*

PRINCIPAL BUSINESS HALL OF THE BANK.



Dividend Hall of the Bank

The following table shows the number of pieces of commercial paper and their face value discounted in representative years since the institution of the Bank, including the paper drawn upon foreign countries:

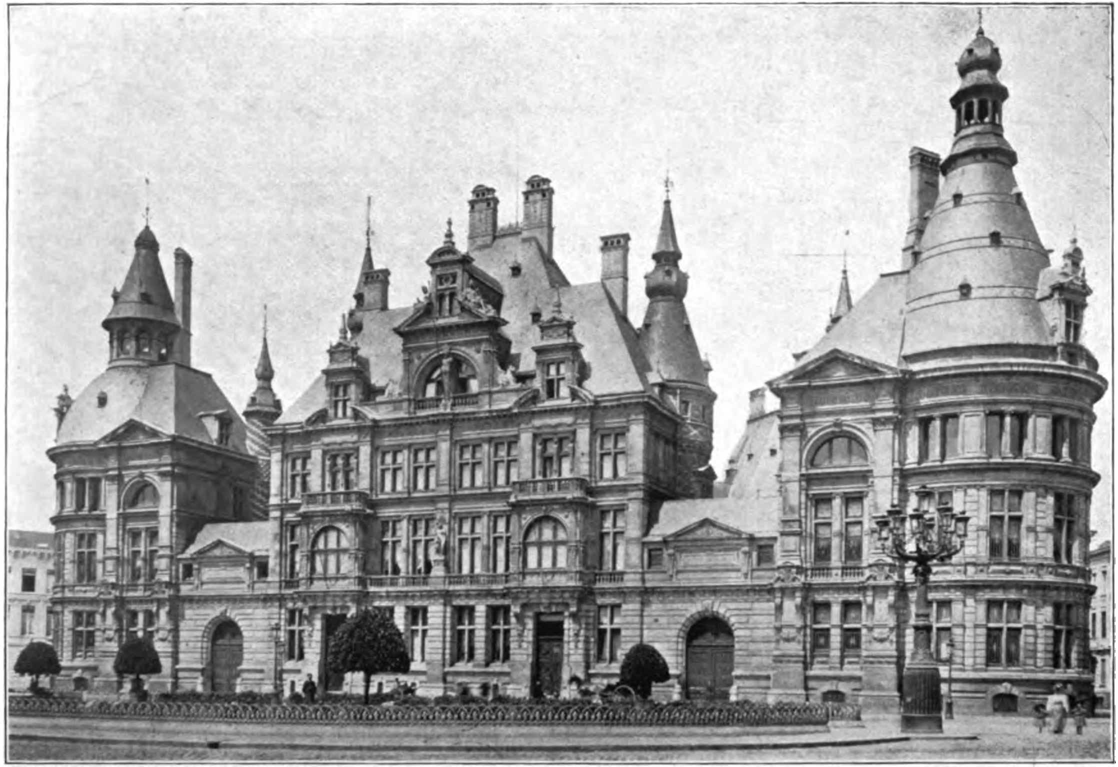
YEAR.	*Total of paper discounted.*		*Foreign paper.*	
	No. of bills.	*Amount in francs.*	*No. of bills.*	*Amt. in francs.*
1851	....	186,200,000	....	104,900,000
1855	170,395	484,600,000	12,817	126,600,000
1860	382,831	757,600,000	2,594	28,000,000
1865	805,109	898,100,000	1,072	21,800,000
1870	1,064,281	1,337,000,000	11,489	131,900,000
1871	1,153,032	1,522,000,000	183	2,400,000
1872	1,311,569	1,853,200,000	6,600	125,800,000
1873	1,444,178	2,019,300,000	1,838	67,300,000
1876	1,686,381	1,822,200,000	17,226	279,500,000
1880	2,206,651	1,994,600,000	20,737	347,600,000
1885	2,736,174	2,088,600,000	19,966	422,400,000
1890	3,095,360	2,355,500,000	15,423	396,900,000
1892	3,018,125	2,430,400,000	22,696	557,700,000
1894	3,172,065	2,546,142,032	24,260	671,294,259
1896	3,363,921	2,785,613,389	21,388	637,014,808
1897	3,444,218	2,922,219,265	24,638	758,644,965

The National Bank of Belgium, like most of the great Continental banks of issue, conducts a discount and deposit business inferior to its issuing business. The discounts and the balance of current accounts have grown somewhat in recent years, but discounts are still made largely with the notes of the Bank rather than the deposits, as may be judged by the following figures, showing the net balance of the leading items at the close of the year for representative years:

DECEMBER 31.	*Circulation.* Francs.	*Discounts.* Francs.	*Deposits.* Francs.
1851	50,346,210	44,034,953	25,980,830
1860	117,899,960	155,958,745	81,825,144
1870	202,528,520	196,233,878	81,319,921
1880	339,969,510	283,992,826	72,142,896
1890	404,721,600	312,670,661	67,723,926
1892	427,594,580	309,391,705	69,340,318
1894	469,662,000	346,590,227	78,558,169
1896	492,636,910	399,683,424	90,649,788

One of the significant facts connected with these discounts is the evidence afforded that the Bank is extending its accommodations to the smaller class of merchants. This is indicated by the increase in the number of bills discounted, especially those at home, without any material increase in their aggregate face value. In 1871 the average value of bills accepted was 5,267 francs ($1,300). The average had descended in 1877 to 2,402 francs ($480), and there was a further descent in 1883 to 1,939 francs. This average has not changed greatly in recent years. The average for 1893 was 1,865 francs; for 1894, 1,846 francs; for 1895, 1,950 francs; for 1896, 2,117 francs; and for 1897, 2,272 francs. The average term of the accepted bills in 1897 was 42 days.

One of the reasons for the recent increase of small discounts is the law of May 12, 1876, authorizing the postal service to receive commercial paper. The decree putting this law in force declared that from October 1, 1876, paper remitted by the National Bank should be collected through the post-offices and that that remitted by other financial establishments and individuals having an account at the bank might be collected after February 1, 1877. A charge of twenty centimes per 100 francs (four cents per $20) was made for



NATIONAL BANK OF BELGIUM—ANTWERP BRANCH.

Principal Façade, Avenue des Arts,

the service and discharged by postage stamps. Until 1879 this service was not rendered at localities where the Bank had agencies. A royal decree of November 27, 1879, abolished this distinction and extended the service to all parts of the realm without exception. The charge was reduced at the same time to ten centimes per 100 francs or fraction thereof, up to 1,000 francs, but never to be less than twenty-five centimes (5 cents), and beyond 1,000 francs, fifty centimes per 1,000 francs or fraction thereof. The bills were required to be sent to the administration of the Bank not more than fifteen days nor later than four days before the date of their maturity. This service was largely availed of for bills for small amounts, and starting with 245,321 bills for the amount of 62,318,481 francs for the first complete year, 1877, it grew to 1,023,897 bills for 242,102,188 francs in 1887, and 1,323,078 bills for 301,712,471 francs in 1896.

The distribution of business between the *Comptoirs* (Treasury offices), the Antwerp branch, and the main office at Brussels may be judged by the figures of domestic discounts for 1896:

	Number of bills.	*Value in francs.*	*Percentage of value.*
The Comptoirs	1,786,858	906,579,904	42.3
The branch	180,777	281,584,080	13.1
Brussels	1,374,898	958,434,595	44.6

One of the important services rendered by the National Bank to the public is in the issue of bills of exchange or transfer orders (*Accréditifs*), for the transfer of funds from one part of Belgium to the other. These transfer orders must be made payable to the order of a designated person and can be transferred only by endorsement. The law extending the charter in 1872 relieved these bills from the stamp tax and prescribed the conditions of their use. A commission of twenty-five centimes per 1,000 francs (five cents per $200) was charged by the Bank up to July 1, 1871, but the service is now rendered without charge in localities where the Bank has an agency. The Bank decided to render this service gratuitously because of its greater economy than the transportation of bank notes. The minimum of a transfer order is 100 francs ($20) and outside of Brussels and Antwerp not more than 25,000 francs can be remitted the same day by the same person without special permission. The number of these transfer orders issued was small up to the abolition of the charge in 1871. The number in 1870 was 16,988 for a value of 54,335,106 francs, but the issues grew in 1872 to 63,179 orders for 314,358,816 francs. The growth of the system since that time is indicated by the following figures for representative years:

YEAR.	*Number of orders.*	*Value.* Francs.
1873	92,300	498,100,000
1875	129,991	562,100,000
1880	199,118	705,000,000
1885	249,450	742,200,000
1890	286,119	921,800,000
1892	295,836	898,800,000
1893	303,652	905,500,000
1894	316,501	927,500,000
1895	324,346	1,022,608,588
1896	341,808	1,065,902,588

The Bank was able to announce, in the annual report for 1896, the organization of a new department for receiving deposits of securities and granting open accounts against them. The purchase of two buildings adjoining the main bank permitted the inauguration of the service, for which room had before been lacking. This service is performed by several of the large Continental banks, but had not before been undertaken by the National Bank of Belgium for lack of space. The new service was put in operation in February, 1897. The Bank not only receives securities as custodian, but makes advances in the form of an open account upon the certificates of deposit which are issued by the deposit department. The amount to be advanced on each security and the guarantee required are stipulated by the Bank. The original deposit cannot be less than 10,000 francs ($2,000) and drafts and payments cannot be less than 1,000 francs. The Bank charges interest only upon the amount in use by the owner of the account, but does not allow interest on the amount to his credit. The Bank performs the services performed by other banks which receive securities on deposit, such as collecting interest coupons and converting or selling the securities under the direction of the owner.

THE RATE OF DISCOUNT.

The average rate of discount in Belgium has fallen somewhat in recent years under the pressure of redundant capital and low returns upon business enterprises. The National Bank has followed with moderation the policy of the Bank of England in making changes in the discount rate to meet the conditions of the market. The number of changes from 1865 to 1888 was 111, or an average of about five per year. There were not less than ten changes in 1871, when the average rate attained four per cent.; there were nine changes in 1872, when the average rate was 3.77 per cent.; and seventeen changes in 1873, when the pressure for money forced the average rate up to 5.06 per cent. The maximum attained in that year was seven per cent. upon domestic paper, while the minimum of these earlier years was the rate of two and a half per cent., fixed in 1867 and maintained throughout the two following years. The rate was advanced during the panic of 1882 to nine per cent. upon paper drawn abroad upon Belgium. This rate was maintained only for six days and the domestic rate did not go above six per cent. The reaction which usually follows a panic and brings timid and idle capital to the banks carried down the rate in March to four per cent. and in August to three and a half per cent. The tendency in recent years has been to make fewer changes in the discount rate than some of the other big European banks. The rate of three per cent. prevailed for nearly two years—from May 8, 1893, to March 18, 1895—when a reduction was made to two and a half per cent. This rate remained unchanged until April 27, 1896, when a return was made to three per cent., which has since remained in force. The rate in Belgium in 1897 was higher than in England and France, but lower than in the Netherlands, where the average was 3.14 per cent., or in Germany, where the average was 3.84 per cent. The French rate remained unchanged at two per cent. during the year, while the Dutch rate submitted to two, the German to six, and the English to seven changes. The number of rates in force each year at the National Bank of Belgium, beginning with 1880, and the mean rate for the year appear in the following table: *

* These figures to 1896 are conveniently summarized by F. Nitti, in his interesting article "Les Variations du Taux de l'Escompte," *Revue d'Économie Politique*, May, 1896, XII, 381.

Year.	Number of rates.	Mean rate.	Year.	Number of rates.	Mean rate.
1880	3	3.35	1889	5	3.58
1881	8	4.08	1890	3	3.22
1882	10	4.43	1891	1	3.00
1883	2	3.60	1892	2	2.78
1884	3	3.32	1893	2	2.83
1885	5	3.28	1894	1	3.00
1886	7	2.80	1895	2	2.60
1887	3	3.10	1896	2	2.84
1888	7	3.32	1897	1	3.00

Rules Governing the Circulation.

The Government, in granting the charter of 1850 and the extension of 1872, refrained from giving to the National Bank a formal monopoly of the power of note issue. A practical monopoly of this power has been enjoyed by the Bank under the reservation that "Corporations of limited liability cannot create bank money unless authorized by law." The Government has never passed any law permitting other institutions to engage in the issue of notes, but under this general authority exercises a restraint upon the abuse of its functions by the National Bank. There were four banks of issue in 1850—the *Société Générale*, the Bank of Belgium, the Bank of Flanders (at Gand), and the Bank of Liége; but the limited character of their circulation, which rarely got beyond the boundaries of the province where they were established, was used as an argument against the utility of freedom of banking.* The practical effect of the privileges given the National Bank, including the legal-tender quality of its notes, was to quickly make it the only issuing bank in Belgium, in spite of the declaration of M. Frère-Orban in the debate of 1872, that it was the purpose of the Government to respect liberty of banking "for every citizen and for every association of full responsibility."†

The requirements regarding the guarantee of the circulation are remarkably simple and afford a model of the freedom which should be granted a bank of issue. There is no requirement for the holding of Government securities, for the pledging of any of the assets out of the custody of the bank, for any excessive tax when circulation is expanded,‡ nor for any fixed limit of circulation except that determined by the proportion of the coin reserve. The Statutes provide, "The Bank may issue bills payable to bearer. The amount of bills in circulation shall be represented by easily negotiable securities.‖ The notes are required to be redeemed at sight at the office of the Bank in Brussels and at the agencies in the provinces, but payment at the agencies may be adjourned until the necessary funds can be received. The notes are legal tender while they are payable in coin on demand. It was declared by Article 6 of the Law of June 20, 1873, that "tenders may be made in notes of the National Bank so long as they are payable at sight in legal money," and that "this power shall cease absolutely to exist if the notes of the National Bank are not received for payments at the offices of the Government." The acceptance of bank notes in payment for public dues was prescribed by the law of 1850 and renewed in 1872, but the latter law maintained the restriction of the earlier one, that the acceptance of the notes should be

* Courcelle-Seneuil, *Traité des Opérations de Banque*, 388.

† Noel, *Banques d'Emission en Europe*, I, 481.

‡ There is a tax of one-fourth of one per cent. upon the circulation in excess of 275,000,000 francs, which will be referred to in connection with the other charges paid to the State.

‖ *Statuts Approuvés par Arrêté Royal du 17 Juillet, 1872, Art. 31.*

based upon authority from the Minister of Finance, which is capable of revocation at his discretion.

The charter of the National Bank requires that one-third of its circulation and other engagements at sight, which includes current accounts, shall be covered by the metallic reserve. There is an exception in case the authority is given by the Ministry, to go below this proportion, but this exception has never been formally availed of. It has been tacitly assumed, without specific warrant of law, that foreign bills were the equivalent of gold, because in case of emergency they could either be sold for gold at home or the proceeds collected in gold abroad. The possession of a considerable fund of these bills proved of great value in the pressure of 1871, as has been pointed out. The policy of holding them in large amounts has been continued and the proportion has steadily increased until the average holdings during 1896 and 1897 were larger than the holdings of actual metal. The average metallic reserve during 1896 was 100,000,000 francs and the portfolio for foreign paper 104,000,000 francs. The average metallic reserve increased in 1897 to 104,750,000 francs and the foreign paper to 113,500,000 francs. The engagements against which this reserve was held in 1896 amounted to 451,708,950 francs in circulation and 74,700,000 francs in current accounts, making a total of 526,408,950 francs. The corresponding figures for 1897 were 476,654,470 francs in circulation and 83,280,000 francs in current accounts, making a total of 559,934,470. The combined reserve of 204,000,000 francs in the former case and 218,250,000 francs in the latter case was well above the legal requirements of one-third and showed a gratifying increase in 1897.

M. Guillaume de Greef criticises the classification of foreign bills as gold, upon the ground that Belgian paper equally represents gold, because even if it is paid in bank notes, these notes are themselves redeemable in gold or may be cancelled by the Bank. In answer to the question, where the difference lies between the two forms of paper, M. de Greef says, "There is none; the fact is that the real security for the circulation lies in the securities held by the Bank, both Belgian and foreign, and that payment at sight and to bearer is only a fiction which cannot be realized in practice."* While the identity of the domestic and foreign paper may be argued from a strictly economic standpoint, M. de Greef apparently overlooks the distinction, which is important from a national point of view, that foreign paper possesses the capacity of bringing gold into Belgium or supplying the demand for gold for export, while domestic paper held by the Bank only changes the proportions of gold held between the Bank and the public, without increasing the amount in the country.

The circulation of the National Bank has almost steadily increased since its foundation. Belgium is too small in territorial extent, and business is too largely concentrated in the two principal offices of the Bank at Brussels and Antwerp to permit the wide use of the clearing system. The Bank has performed in a considerable measure the functions of a clearing-house and the use of its own note issues has taken the place of increased transfers by credit instruments. The great discount banks have encroached much upon the commercial business of the National Bank in recent years, and the National Bank itself has adopted several measures for economizing the use of notes by

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* *Annales de l'Institut des Sciences Sociales*, April, 1898, IV, 122.

means of credit transfers, but these circumstances have not prevented the steady upward movement of the volume of circulation. The following table shows for representative years the circulating notes outstanding, the metallic reserve, and the foreign bills held at the close of the year;*

DECEMBER 31.	*Circulation.*	*Metallic reserve.*	*Foreign bills.*
	Francs.	Francs.	Francs.
1851	50,346,210	29,264,880	*a*15,000,000
1860	117,899,960	63,023,535	*a*4,000,000
1870	202,528,520	95,614,523	*a*18,800,000
1880	339,969,510	98,787,206	*a*43,450,000
1890	399,700,000	103,418,340	74,500,000
1891	416,700,000	102,700,000	91,300,000
1892	414,200,000	114,600,000	94,500,000
1893	435,300,000	111,600,000	96,200,000
1894	446,700,000	130,800,000	99,300,000
1895	461,800,000	103,500,000	107,600,000
1896	471,800,000	100,700,000	101,700,000
1897	*a*476,654,000	*a*104,750,000	120,000,000

a Average for year.

The circulation of the National Bank shows some degree of elasticity, although that is not its predominating characteristic. The large foreign trade of Belgium brings note-holders often to the Bank to obtain gold and results in the exchange of notes to the amount of about fifty per cent. of the circulation in the course of a year. The notes presented for specie in 1896 amounted to 256,757,000 francs, and the specie presented for notes to 57,594,000 francs. The average circulation during 1896 was 451,708,950 francs, which was more than 40,000,000 francs less than the amount outstanding at the close of the year. Notes are reissued when received in good condition. The number destroyed during 1896 was 1,547,000 notes representing a value of 148,500,000 francs, or about one-third of the average circulation. The notes are issued in five denominations, and the amount of each outstanding on the average in 1892 and 1896 was as follows:

DENOMINATION.	*1892.*	*1896.*
	Francs.	Francs.
20 francs	41,357,100	56,392,000
50 francs	31,341,850	35,368,850
100 francs	182,401,700	200,516,600
500 francs	22,424,500	26,949,500
1,000 francs	128,337,000	132,482,000
Total	405,862,150	451,708,950

THE ADMINISTRATION OF THE BANK.

The Government of the National Bank of Belgium is in the hands of a Governor and six directors, who make up the Administrative Council. The Governor is appointed by the King for a period of five years, but may be reappointed. He cannot be a member of the legislative body or draw a state pension while acting as Governor. His salary, while fixed by the King, is paid by the Bank, which also provides him with a furnished house. The Governor must own at least fifty shares of the Bank stock, representing a value of 50,000 francs ($10,000). The Governor represents the Administrative

* The totals of circulation here presented differ slightly from those in "A History of Modern Banks of Issue" (p. 258), by the present writer, because those figures represented the actual amount outstanding on December 31, while those here given are the amounts at the end of the banking weeks, which are used as a basis for calculating the relations between the circulation and the reserve.

Council in the courts and has authority over all the agents of the Bank. The King also appoints a Deputy-Governor from among the six directors, who acts in the absence or incapacity of the Governor. The six directors make up, with the Governor, the Administrative Council. The directors are chosen by the General Assembly and must be Belgian citizens and residents of Brussels. They are chosen for six years, but may be reëlected. Each of them is entrusted with the control of a single department or more of the Bank, in addition to acting with the Governor in the Administrative Council. Each director receives a salary of 6,000 francs and has a share in the profits of the Bank. Meetings of the Administrative Council are held three times a week and special meetings when they are required.

There is also a Council of Censors, consisting of seven members who act as Comptrollers. Their advice is taken by the Administrative Council and their confirmation is required for its important acts. The Censors are named by the General Assembly for terms of three years, three going out in one year, two in the second year and two in the third year. The Censors meet at least once a month when they audit the books and approve the expenses authorized by the Administrative Council. There is also a meeting of the General Council on the last Saturday of each month in the room shown in our illustration. This body is made up of the Governor, the Directors and the Censors. The General Council acts on all questions relating to the statutes and regulations of the Bank. It apportions the profits and deals with questions regarding the circulation. A Discount Council is selected from among the merchants or clients of the National Bank, which examines the paper presented for discount. There is also a Government Commissioner who exercises supervision on behalf of the State over the note circulation and the character of the securities held against it. He has the right, when he thinks proper to exercise it, to give an advisory vote in the meetings of the General Assembly of the shareholders and the General Council.

The annual meeting of the shareholders is held in February in the handsome room shown in the illustration under the title, "Meeting Room of the General Assembly." Those shareholders only are permitted to take part who are the owners of ten shares registered at least twenty days before the meeting, or ten shares transferrable to bearer and deposited at the Bank or an agency. Only shareholders can be made proxies, except in the case of corporations, minors, and persons under guardianship, and each block of ten shares entitles the holder to one vote.* The number of shares registered in the names of their owners on December 31, 1897, was 26,416, representing 1,012 persons and corporations. Of these 688 were entitled to take part in the General Assembly by the ownership of ten shares. There were 2,324 shares transferred in 1896, and 1,782 in 1897.

The arrangements of the National Bank regarding branches are somewhat peculiar and grow out of its relations with the Treasury. It is required by the Act extending the charter to conduct agencies in all the principal judicial districts and in other places designated by the Government. There is only one branch which is properly designated as such—the big establishment at Antwerp whose handsome façade is shown in one of the illustrations. The smaller offices are designated as agencies and are profusely scattered over the

* *Statuts Approuvés, 17 Juillet, 1872, Art. 80.*

various provinces. They are divided into four classes according to the salaries, which range from 5,000 francs ($1,000) to 15,000 francs ($3,000). The distinction between these agencies and the discount bureaus, including the manner of conducting the latter, is set forth by M. des Essars as follows: *

"The principal object of the agencies is the accommodation of the Treasury. The agents have also the character of State receivers and disbursers, and consequently are appointed by the King from a double list presented by the Administrative Council. They are also dismissible by the King; but the Bank may suspend them from office for the term of one month. Their salaries range from 5,000 to 15,000 francs according to class. The agents have power to choose their employees. Though dependent upon the State the agents have extra-official relations with the officers of the Government. They keep regular accounts which are inspected by the representatives of the Bank.

The Bank discounts only paper with three signatures. To perform its discount transactions and bring them within the reach of all it has adopted a most ingenious machinery, which, in many respects, might be advantageously imitated in other countries. Under the name of *Comptoirs d'Escompte* (Discount Bureaus), associations of persons are permitted by the General Council, which discount such paper as is specified by the regulations of the Bank at rates and under conditions prescribed by the General Council. The paper admitted by the *comptoirs* is indorsed by the Bank direct. Each *comptoir* is held responsible; so that bad paper is returned to the bureau from which it emanated and which has to make good the amount. The individuals associated in the *comptoir* receive a commission on paper that they discount to remunerate them for their trouble and reward them for the risk they take. The commissions are determined by special arrangements. In general, the discount bureaus are located at the agencies of the Bank, the agents lending them half of their offices for their discount business and their bookkeeping."

The number of officials and employees at the Central Bank at Brussels is 346, besides fifty-four employees of the printing and engraving division. The Bank now has thirty-nine agencies in the provinces.

The gross earnings of the Bank from its business have not fluctuated greatly during the quarter of a century since the granting of the second charter, but the profits have been diminished somewhat by the growth of expenses in many departments where large services are rendered without charge. The gross earnings ran as high as 16,542,873 francs ($3,300,000) in 1873 and fell in 1880 as low as 9,854,985 francs ($1,900,000). The extreme range of recent years has been between 10,700,000 francs and 12,665,355 francs. The latter figure was attained in 1897 as the result of an increase in the earnings from discounts of more than 1,000,000 francs over 1896. The gross collections in the year 1890 were 12,344,883 francs; in 1892, 10,789,231 francs; in 1894, 11,470,306 francs; and in 1896, 11,730,218 francs. The net receipts for division among the shareholders and the Government have never been so high since 1873 as in that year, when 11,314,252 francs were available for the purpose and the dividends to shareholders amounted to 141.95 francs. The dividend declared in 1885 was 108 francs; in 1890, 115 francs; and in 1891, 107 francs. The dividend for the next three years was 97 francs, but was increased in 1896 to 103 francs.

A small amount is set aside each year under the charter for strengthening the reserve. The amount thus set aside in 1896 was 600,292 francs and the reserve was left at the end of that year at 25,697,189 francs. The reserve is invested almost wholly in Belgian national securities, the three per cent. bonds comprising 19,901,700 francs, and the two and a half per cents., 7,347,500 francs at the close of 1896.

* "A History of Banking in All the Leading Nations," edited by the Editor of the "Journal of Commerce and Commercial Bulletin," III, 272. New York, 1896.

The Governor of the Bank.

The present Governor of the National Bank of Belgium is Mons. V. Van Hoegaerden. He has held the office for many years and the conservative but enlightened character of his administration have added to the high reputation which the Bank formerly enjoyed. M. Van Hoegaerden had made a name for himself in Belgian industry, before entering upon his functions at the Bank, being one of the founders of one of the most important cotton mills of the country at Gand. He entered the Bank management as a director in 1870 and his qualifications soon commended him to his associates in the Bank and to the King as a fit man for Governor. He exercises not only the functions of Governor of the Bank and President of the Council of Administration, but also head of the general Savings bank under the guarantee of the State. M. Van Hoegaerden combines with his high standing among European financiers a modesty which permits him to say little of himself and to refrain from spreading details regarding his career.*

V. van Hoegaerden,
Governor of the National Bank.

The Deputy-Governor, who occupies the central office of the Bank at Brussels, is Mons. L. Weber.

Relations of the Bank with the Treasury.

While the friends of the National Bank have occasion to congratulate the Bank upon the fact that it was not created for the purpose of lending its capital to the Government, the critics of the Bank and the law under which it was created insist that its relations with the Treasury are far too close. The Bank was established with the avowed object of affording a medium for handling the public funds and is required to do a great variety of Government business. Instead of a compensation for this business in cash, it is charged with a multiplication of taxes and is required to pay a portion of its dividends above a fixed amount to the Government. The latter provision, which goes beyond the ordinary levy of taxes upon the banking franchise made in other countries, gives some color to the suggestion of M. Paul des Essars, which otherwise seems somewhat too strong, whether in the event of war, "the Bank, which is practically a fief of the State, would have been entitled to protection by the *droit des gens.*" The Bank of Belgium, M. des Essars adds, "belongs to shareholders; but it is the State depository, and on that ground

* A letter from the Deputy-Governor, in response to a request from the Bankers' Magazine for fuller details of the life of M. Van Hoegaerden, says that the Governor, "from a sentiment of modesty which you will understand, does not desire that other details be given than the general ones which you already possess on the subject of his career, in the large industries of Belgium as well as in the Bank and the National Savings Bank."

the enemy might stop its operations and even seize its resources, awaiting the restoration of peace before giving an accounting." No other bank in the world, he declares, "assumes gratuitously equal responsibilities or surrenders to the Government so large a portion of the profits."*

Let us examine what are these services which are rendered and these taxes which are paid to the State. Belgium, like most European countries, has no sub-Treasury system, like that of the United States, for the direct handling of public funds by government officials. All this business is done by the National Bank. The service is rendered not only without charge, but the Bank pays to the Treasury 175,000 francs ($35,000) annually for the supposed benefits of handling the public money. All moneys collected by the Department of Finance are promptly paid into the Bank and its branches, and public disbursements are made by checks upon the Bank. The amount received on account of the State in 1873 was 584,200,000 francs and the amount disbursed was 623,900,000 francs. These amounts have increased with comparative uniformity, the receipts for 1896 having been 1,299,171,941 francs and the payments 1,280,901,084 francs. The average balance held by the Bank on account of the Treasury has varied, but the average has not increased in proportion to the increased amount handled. The amount on December 31, 1896, was 43,365,913 francs. The Bank naturally performs most of the work of converting the public debt, changing coupon into registered securities, and other services connected with the permanent debt. The surplus funds of the Treasury, in excess of current needs, are invested by the Bank upon its own responsibility and kept in a separate account. These investments are usually made in foreign bills, and the combined holdings of such bills against the government balance, as well as on account of the commercial business of the Bank, greatly strengthen the available resources for maintaining the gold standard in Belgium. The profits of the investment go entirely to the account of the Treasury. The foreign paper on hand for Treasury account has fluctuated a good deal with business and Treasury conditions. The amount at the close of 1873, including the Savings Bank fund, was as low as 16,800,000 francs ($3,300,000), while at the close of 1889 it was 63,900,000 francs ; 1896, 113,244,546 francs; and 1897, 143,548,044 francs ($28,500,000).

The various taxes levied upon the Bank are so numerous and complicated that it is difficult to describe them with precision in a limited space. The Government levies a license tax on the gross volume of the business of the Bank, a stamp tax on the notes, and a tax of one-fourth of one per cent. on the circulation above 275,000,000 francs; and also receives the product of discounts at rates above five per cent. to the amount of the excess, and one-fourth of the net profits of the Bank in excess of six per cent., in addition to the regular charge of 175,000 francs for the use of the public moneys. The stamp tax prior to 1850, levied upon the notes of all institutions issuing notes to bearer, was five centimes per 100 francs (one cent per $20). The law of September 10, 1862, replaced this tax by a rate of fifty centimes per 1,000 francs upon the average of the notes in circulation during the year, and this rate has since continued in force.

The circulation does not escape with the stamp tax. The tax of a quarter of one per cent. upon the average amount above 275,000,000 francs has con-

* "A History of Banking in All the Leading Nations," edited by the Editor of the "Journal of Commerce and Commercial Bulletin," III, 296. New York, 1896.

stantly grown with the substitution of bank notes for metallic money and the increase in the circulation. The amount in 1873 was only 249,254 francs ($49,000); it had grown in 1887 to 460,019 francs; in 1890, to 518,138 francs; in 1892, to 633,110 francs; in 1894, to 748,740 francs; in 1896, to 858,354 francs; and in 1897, to 977,767 francs ($190,000). The profits arising to the Bank when the discount rate is above five per cent. have not appeared in the annual benefits of the Treasury since 1889, when the amount was only 14,484 francs ($2,800). The rate was then for only a short time above five per cent. and has not been so high during the past nine years.

The most important contribution to the Treasury on the part of the Bank is the Government's share in the annual profits. The rule fixed by the Law of 1850 reserved to the State only a sixth of the profits above six per cent., and the average afforded up to 1872 was only 361,000 francs per year. The Law of 1872, renewing the charter, provided that the Treasury should receive a quarter of the sum remaining of the net profits after the payment of a dividend of three per cent. to the shareholders. Fifteen per cent of the surplus is applied to the reserve and the remainder goes to the shareholders with some small deductions, when the net profits are large, for the benefit of the officers of the Bank. The whole amount paid by the Bank to the State, exclusive of the profits on government funds invested in foreign paper, was 3,715,214 francs ($720,000) in 1873; 2,376,204 francs in 1890; 2,207,987 francs in 1894; 2,383,742 francs in 1896; and 2,665,229 francs in 1897. The decline of the profits of the State in recent years is due to the low rates of discount and the restricted profits remaining for division between the shareholders and the Government. The elements of the amount paid to the State in 1897 were: License tax, 137,504 francs; stamp tax on circulation, 238,327 francs; tax on circulation above 275,000,000 francs, 977,967 francs; share of the State in the dividends, 1,136,430 francs; payment to Treasury for use of public funds, 175,000 francs. These figures are exclusive of the profit on foreign paper held for the State, which was 730,000 francs in 1896 and 1,056,710 francs in 1897. The aggregate on all accounts thus credited to the Treasury was 3,113,742 francs in 1896, and 3,721,939 francs in 1897. The latter sum was almost exactly half of the net earnings of the Bank.

One of the services performed by the National Bank for the Government is the management of the National Savings Bank. The right to impose this duty upon the Bank was reserved in the original charter of 1850, but it was not until the law of March 16, 1865, that the project was carried out. The savings bank system is not modeled upon that of France and England—for the mere piling up of saved capital and its investment in government securities—but conducts a legitimate banking business. Difficulties were at first thrown in the way of depositors who wished to withdraw their funds and the Government was authorized every five years to divide a portion of the reserve among those who had maintained their deposits for at least a year. The freer use of the funds was soon permitted and M. Frère-Orban was able to declare in the debate of 1872 that the Bank had a sum of 25,000,000 francs which was at the disposition of proprietors, manufacturers and merchants for operations a little beyond the scope of those of the National Bank, because they were for a longer term. Interest is paid upon deposits at three per cent. but only two per cent. is paid upon individual deposits exceeding 12,000 francs ($2,400). The National Bank renders many gratuitous services to the savings bank and maintains separate accounts for its transactions. The amount of paper and other securities carried for the savings bank during 1896 reached a total of 143,202,268 francs ($28,000,000).

(*To be continued.*)

*LOANS OF THE UNITED STATES.

LOANS OF JULY AND AUGUST, 1861.—OLD DEMAND NOTES.—SEVEN-THIRTIES OF 1861.

The extra session of Congress called by President Lincoln met July 11, 1861. Eleven States had seceded and were in actual rebellion. Seventy-two thousand men had been called for and Washington was in effect a military camp. Salmon P. Chase was Secretary of the Treasury, and in his Report on the Finances dated July 4, 1861, he estimated the expenditures for the fiscal year 1862 at $318,519,581.97, and this sum, as events proved, was $240,000,000 less than the actual expenditures. The President in his message asked authority to borrow $200,000,000.

A bill to meet the expenses of the war, by obtaining a loan of $250,000,000, was introduced in the House July 9, 1861, and considered in committee of the whole the next day. Debate on the bill was limited to one hour, which was occupied wholly by the speech of one member, after which the bill was passed by a majority of 150 to 5. The bill passed the Senate without debate and became a law July 17, 1861.

It authorized the Secretary of the Treasury to borrow on the credit of the United States within twelve months from the passage of the Act a sum not exceeding $250,000,000, for which he was authorized to issue coupon or registered bonds or Treasury notes in such proportions as he might deem advisable, the bonds to bear interest not exceeding seven per cent. per annum, payable semi-annually and redeemable at the pleasure of the United States after twenty years. The Treasury notes were to be of any denomination fixed by the Secretary, and not less than $50, payable three years after date with interest at the rate of 7 3-10 per cent. per annum, payable semi-annually. The Secretary was also authorized to issue Treasury notes of a less denomination than $50 and not less than $10, bearing interest at the rate of 3.65 per cent. per annum, payable in one year from date and exchangeable at any time for Treasury notes of $50 and upward bearing interest at 7.30 per cent. Also to issue Treasury notes of less than $50 and not less than $10, not bearing interest and payable on demand, but the whole amount of these demand notes was not to exceed $50,000,000.

The Secretary was also authorized to issue, whenever he might deem it expedient, Treasury notes of any of the denominations before specified, bearing interest not exceeding six per cent., payable at any time not exceeding twelve months after date, the whole amount of such notes not to exceed $20,000,000. Notes of less than $50 when redeemed might be reissued, or cancelled, and new notes issued in their stead, but the aggregate of notes and bonds issued was never to exceed $250,000,000, and the power to issue and reissue the Treasury notes was to cease December 31, 1862.

A bill, supplemental to the above Act, was introduced in the Senate July 22, and passed both Houses with little debate, though there was some opposition to the provision which allowed the Secretary of the Treasury to fix the denomination of Treasury notes at any sum below $50. The lowest limit was fixed at $5, and the bill was passed and approved August 5, 1861.

*** Continued from the April, 1896, number of the BANKERS' MAGAZINE, page 547.**

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.

It authorized the Secretary to issue a part of the bonds provided for by the Act of July 17 at six per cent. per annum, these bonds to be exchangeable for Treasury notes bearing interest at 7.30 per cent., but no such bond was to be issued for less than $500, nor was the whole amount of such bonds to exceed the whole amount of Treasury notes bearing 7.30 per cent. interest issued under the Act.

The Secretary was further authorized to issue Treasury notes, not bearing interest, of denominations as low as five dollars.

The Act of February 12, 1862, subsequently authorized $10,000,000 of these demand notes in addition to the $50,000,000 authorized in 1861.

Under these Acts bonds and Treasury notes were issued as follows:

Loan of July and August, 1861, six per cent bonds	$189,321,350
Old demand notes	60,000,000
Seven-thirties of 1861, interest 7.30 per cent	139,999,750
Total	$389,851,100

The year before a loan of $21,000,000 had been asked for and only about one-third that sum was obtained. The danger that menaced the country impressed all classes so vividly that they poured out their means freely in aid of the Government notwithstanding the early disaster of the war.

Five-Twenties of 1862.—Temporary Loan.

The so-called "five-twenties of 1862" were issued under authority of the Act of February 25, 1862. The Secretary was authorized, in order to fund the Treasury notes and floating debt, to issue on the credit of the United States coupon or registered bonds to an amount not exceeding $500,000,000 redeemable after five and payable after twenty years, bearing six per cent. interest payable semi-annually. The Secretary was to determine the denominations of bonds, but was not, however, to issue any less than $50.

This loan could be issued at its market value for coin, Treasury notes or the legal tender notes created by the same Act. All United States securities were exempted from taxation by State authority.

The success of the loan was remarkable, every exertion for its wide distribution among the people having been made by the Secretary. In his Annual Report to Congress dated December, 1863, he said:

"After ascertaining by inquiry that the bonds could not be disposed of to capitalists in amounts sufficient for the prompt payment of the army and navy and for the satisfaction of the just claims of public creditors generally, without serious loss, the Secretary determined to employ a general agent, under adequate bonds, and confide the whole work of distribution, except so far as it could be effected by the Treasurer, Assistant Treasurers and designated depositories, to him, and to sub-agents designated by him and responsible directly to him. Under this plan, and chiefly through the indefatigable efforts of the general agent and his sub-agents, five-twenty bonds to the amount of nearly $400,000,000 in denominations of $50, $100, $500 and $1,000, were distributed throughout the whole country not controlled by the rebellion, and among all classes of our countrymen. The history of the world may be searched in vain for a parallel case of popular financial support to a national government."

On closing the subscription books at the time appointed it was found that $11,000,000 over and and above the amount asked for had already been subscribed, and the subscribers having complied with the regulations prescribed by the Department in its public notice asking subscriptions, the Secretary was obliged to ask for additional legislation to enable him to issue the required amount.

The Act of March 3, 1864, authorized an additional issue of $11,000,000 to persons who subscribed for this loan on or before January 21, 1864.

In March, 1863, it became necessary to transmit a considerable amount of funds to London for a special purpose, for which an appropriation had been made by Congress, and it was thought advisable to deposit a certain amount of our securities with an eminent London banker, against which bills might be drawn. Five-twenty bonds to the amount of $10,000,000 were accordingly placed in the hands of two distinguished citizens, to whose care the negotiation was committed. The negotiation failed and $6,000,000 of the $10,000,000 were returned to the Treasury and disposed of. It was thought advisable that the amount of $4,000,000 should remain and that exchange should be drawn against it, and the bonds disposed of abroad if a favorable market should be found. It appeared, however, that very nearly this amount was in excess of the $511,000,000 authorized by law, $510,756,900 having been placed. Congress, by the Act of January 28, 1865, legalized the over-issue.

Under these various Acts bonds were issued to the amount of $514,771,600, bearing six per cent. interest, redeemable after five, and payable after twenty years.

The Act of February 25, 1862, also provided that the Secretary of the Treasury might receive from any person or corporation United States notes—the legal-tender notes provided for in the same Act—on deposit for not less than thirty days in sums of not less than $100, with any of the Assistant Treasurers or designated depositaries of the United States authorized to receive them, who were to issue therefor certificates of deposit bearing interest at the rate of five per cent. per annum; and the United States notes so deposited might be withdrawn at any time after ten days' notice on the retiring of the certificates. The deposits were to cease and determine at the pleasure of the Secretary, and their total amount was never to exceed $25,000,000.

A section of the Act of March 17, 1862, authorized the increase of these temporary loan deposits to an amount not exceeding $50,000,000, and this amount was again increased to $100,000,000 by a section of the Act of June 11, 1862, which also provided that not less than $50,000,000 of legal-tender notes authorized by the Act shall be reserved for the prompt payment of such deposits when demanded; these notes to be issued and used only when, in the judgment of the Secretary, the same or any part thereof may be needed for that purpose.

A section of the Act of June 30, 1864, authorized a still further increase to an amount not exceeding $150,000,000, and an increase in the rate of interest to not exceeding six per cent. per annum, or a decrease of the rate of interest on ten days' notice, as the public service might require.

Under this authority temporary loan deposits were received to the amount of $716,099,247.16.

Legal-Tender Notes.

The Secretary of the Treasury in July, 1861, had estimated the expenses for the fiscal year 1862 at $318,519,581.87. In his Report of December 9,1861, owing to the unexpected proportions the war had assumed, and the extraordinary increase in the army and navy which had become necessary, he was obliged to revise his figures. At that date he estimated the expenditures during the year at $543,406,422.06, of which sum $213,904,427.68 remained to be provided, for which loans must be had. Even this estimate turned out to be short by over $20,000,000.

A bill to authorize the issue of $100,000,000 in Treasury notes, and to fund the outstanding debt and the floating debt by the issue of $500,000,000 in bonds, was introduced in the House, January 22, 1862.

The first section of the bill as introduced, though subsequently amended, provided that there should be printed on the back of the notes the following words: "The within note is a legal tender in payment of all debts, public and private, and is exchangeable for bonds of the United States bearing six per cent. interest."

This legal-tender clause developed opposition in both Houses of Congress, even among the supporters of the Administration. It was said in debate that this was the first time it had been proposed in Congress to make anything but gold and silver coin a legal tender.

The question was raised and disputed as to whether what was called "Continental currency" issued during the War of the Revolution, was or was not a legal-tender. In regard to this it appeared that the Continental Congress did not by its own ordinance give the paper a legal-tender character, but the Continental Congress requested the States to do so, and with this request all but Rhode Island seem to have complied. The Continental Congress enacted that any man who refused to take the paper should be deemed an enemy to his country. George Washington complained in one of his letters that he had been obliged to receive the currency at par in payment of a debt, when it had so depreciated that its value was almost nominal.

The opponents of legal tender said that such an issue would in effect be to aid and assist men who owed debts to pay them with a depreciated currency, at par, at the cost and expense of the creditor, and that it was therefore a proposal to interfere with existing contracts; that the Government was about to go before the community and ask for credit on the plighted faith of the Government, and that this faith of the Government rested on its appreciation of the inviolability of contracts. Yet it was said this bill in which it was proposed to appeal for credit for a vast sum proposed to tamper with this inviolability.

Those who favored the bill had little to reply except the plea that the legal-tender clause was a necessity, a war measure, justified because the nation could not well be preserved without it. Secretary Chase voiced the opinion of the Administration. He said:

"The provision making United States notes a legal tender has doubtless been well considered by the Committee, and their conclusion needs no support from any observation of mine. I think it my duty however to say that in respect to this provision my reflections have conducted me to the same conclusions they have reached. It is not unknown to them that I have felt, nor do I wish to conceal that I now feel, a great aversion to making anything but coin a legal tender in payment of debts. It has been my anxious wish to avoid the necessity of such legislation. It is however at present impossible, in consequence of the large expenditures entailed by the war and the suspension of the banks, to procure sufficient coin for disbursements; and it has therefore become indispensably necessary that we should resort to the issue of United States notes. The making of them a legal tender might however still be avoided, if the willingness manifested by the people generally, by railroad companies, and by many of the banking institutions, to receive and pay them as money in all transactions were absolutely or practically universal; but unfortunately there are some persons and some institutions which refuse to receive and pay them, and whose action tends not merely to the unnecessary depreciation of the notes, but to establish discriminations in business against those who in this matter give a cordial support to the Government and in favor of those who do not. Such discriminations should if possible be prevented; and the provision making the notes a legal tender in a great measure at least prevents it, by putting all citizens in this respect on the same level, both of rights and duties."

It would appear that even the financiers of the country were very much divided in opinion regarding the legal-tender clause, and Senator Fessenden called attention to this fact in his speech on the bill. He said:

"Nobody knows much on the questions of finance, not even those who are most familiar with it; for, sir, I declare to-day that in the whole number of learned financial men whom I have consulted I never have found any two of them who agree, and therefore it is hardly worth while for us to plead any very remarkable degree of ignorance when nobody is competent to instruct us; and yet such is the fact. I can state to you, Mr. President, that on one day I was advised very strongly by a leading financial man at all events to oppose this legal-tender clause; he exclaimed against it with all the bitterness in the world. On the very same day I received a note from a friend of his telling me that we could not get along without it. I showed it to him and he expressed his utter surprise. He went home and next day telegraphed to me that he had changed his mind and now thought it was absolutely necessary. His friend who wrote to me wrote again that he had changed his. And they were two of the most eminent financial men in the country."

When two of the leading financial luminaries could thus find themselves on both sides of so important a question within a few hours, according to the distinguished

Senator, perhaps it was not exactly logical to conclude that there was no science of finance until other reasons for the change were investigated. Several amendments to the original bill were adopted and the amount of legal-tender notes to be issued was increased to $150,000,000. The bill was approved February 25, 1862.

It authorized the Secretary of the Treasury to issue on the credit of the United States Treasury notes to the amount of $150,000,000, bearing no interest and payable to bearer, of such denominations as he might deem expedient, not less however than five dollars. Fifty millions of these notes were to be in lieu of the demand notes, which latter were to be taken up as rapidly as practicable and the new legal-tender notes substituted for them. The amount of the two kinds of notes was at no time to exceed $150,000,000. The new legal-tender notes were "receivable in payment of all taxes, internal duties, excises, debts, and demands of every kind due to the United States, except duties on imports, and of all claims and demands against the United States of every kind whatsoever, except for interest upon bonds and notes, which shall be paid in coin, and shall also be lawful money and legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest on the public debt."

They were to be exchangeable in sums of fifty dollars, or any multiple thereof, for bonds of the United States, bearing interest at the rate of six per cent. per annum, payable semi annually, viz., the five-twenty bonds. The notes were also receivable at par for all loans of the United States. The Act of July 11, 1862, authorized another issue of $150,000,000, $35,000,000 of which might be in denominations of less than five dollars. The Act of March 3, 1863, authorized another issue of $150,000,000. This Act also limited the time during which legal-tender notes might be exchanged for bonds to July 1, 1863. The notes might be reissued when redeemed and their redemption and reissue has gone on up to the present day.

Decline in the Price of Cotton.—The low price of cotton recently reported, said to be the lowest point reached in many years, lends special interest to a series of tables just compiled by the Treasury Bureau of Statistics showing the remarkable increase in cotton production and coincidental fall in price. These tables show that the United States, the chief cotton producer of the world, has quadrupled its cotton production since 1872, and that the price of cotton in the same period has fallen to about one-fourth that which prevailed in that year. In 1872 the cotton crop of the United States is shown to have been 1,384,084,494 pounds with an average price of 22.19 cents per pound; in 1898 the crop is reported at 5,667,372,051 pounds with an average price of 6.23 cents per pound. Thus the production of 1898 is more than four times that of 1872, and the average price but a little over one-fourth that of that year.

When it is considered that the other portions of the world that grow cotton have not at all reduced their production meantime, it is apparent that the increased cotton supply of the world in the quarter of a century under consideration has been very great, and far in advance of the increase in population or consuming power.

Twenty-five years ago the United States produced seventy per cent. of the cotton of the world; to-day it produces eighty-five per cent. of the world's cotton. This increase in the percentage has been, not because of a reduction of the cotton produced in other parts of the world, but simply on account of the increase in our own. The cotton supply of the other cotton-producing sections of the world in 1872 3 was 1,667,000 bales, and in 1897-98, 1,665,000 bales. The average cotton production of other countries from 1872 to 1878 was 1,618,000 bales per annum, and from 1890 to 1897 was 1,924,000 bales per annum, showing that there has also been a slight growth in cotton production in other parts of the world, while our own production has been increasing enormously. It is proper to add that the prices quoted for the earlier years are based upon the currency values of that period, and if reduced to a gold basis would be slightly less.

MODERN BANKING METHODS.

A NEW SERIES ON PRACTICAL BANKING—HELPFUL POINTS DERIVED FROM EXPERIENCE.

ORGANIZING A NATIONAL BANK.

A pretty good general rule to observe in guiding a bank in its dealings with the United States Government is, that whenever any special action is taken by the bank, especially such as will affect its organization, the Comptroller of the Currency must be notified, and a sworn certificate detailing that action sent him ; and these papers should invariably be made out in duplicate, one copy being kept on file in the bank. Especially does this apply to the organization certificate, oath of directors, certificate of payment of fifty per cent. on capital stock and the certificates of the payment of the five remaining installments, increase or decrease of the capital stock, and going into liquidation.

The President of our new bank in collecting the first installment of fifty per cent. upon the capital stock was confronted with propositions from three of the subscribers that he accept notes at from sixty days to six months' time for the payment of their installments. These were hard propositions for him to answer, as the men were personal friends, and he knew them to be good for the amount, as it was upon his solicitation that they had subscribed to the stock. It was, however, determined to submit the propositions to Lawyer Billings, and after looking up the matter in the National Banking Law, to be guided by his decision.

A reference to Section 5140 of the National Banking Law showed, by the use of the words "paid in," that it was evidently the intention of the framers of the law that the capital stock should be paid in *money;* as notes are not money, but only an agreement to pay, it was felt that the spirit and intent of the law would be violated if they were accepted in payment for the stock. One man suggested that they accept his note and discount it, placing the proceeds to his credit, and he would then give them his check against it for his assessment on his stock ; but this it was considered would be an evasion of the law. If the subscriber desired to have his note discounted at some other bank, and then give his check against that for his assessment, there could be no objection ; but it was the intent of the law that the capital stock be paid for in money as a necessary working fund at the start.

Upon the final payment of the fifty per cent. assessment it was necessary that a certificate certifying to this fact be sent to the Comptroller of the Currency.

The following is the prescribed form :

CERTIFICATE OF OFFICERS AND DIRECTORS.

The undersigned, ________ ________, President, ________ ________, Cashier, and ________ ________, directors of the ________ ________, organized under the sections of the Revised Statutes of the United States, approved June 22, 1874, which authorize the organization of national banking associations, and of subsequent Acts in addition to and amendatory thereof, do hereby certify that ________ dollars have been paid into said bank, on account of its capital stock, as permanent capital; that the residence of each director, and the amount of stock of which each director is the *bona fide* owner, are as follows:

NAME OF DIRECTOR.	Place of residence.	Shares of stock.

And that this bank has in good faith complied with all the provisions of said Act required to be complied with before receiving authority to commence the business of banking.

__________ __________,
President.

__________ __________,
Cashier.

__________ __________,
__________ __________,
Directors.

STATE OF __________,
County of __________, *ss:*

On this ________ day of __________, 189___, before the undersigned, a __________ __________ of __________, personally appeared __________ __________, President, __________ __________, Cashier, and __________ __________, directors of the __________ __________, and made oath that the foregoing certificate and the matters and things therein set forth are true to the best of their knowledge and belief.

__________ __________.
__________ __________.
__________ __________.

Subscribed and sworn to before me, this ________ day of __________, 189___.

__________ __________.

The oath of the President or Cashier and of a majority of the directors of an association is sufficient for this purpose.

SELECTION OF OFFICERS AND EMPLOYEES.

Serious difficulties began to present themselves in regard to the selection of a Cashier and proper employees for the new bank. Stockholders, and even directors, had friends whose names they presented and whose claims they urged. To be able under these conditions to select the best men for the positions was the trouble.

The future success of a bank will depend much upon the type of men who are to have charge of its affairs. In the first place there are the directors, their duties are *to direct*, and they should always be selected for their ability to direct and not simply for their popularity. No man is obliged to be a director, but having assumed such a position he is under absolute obligations to perform the duties to the best of his ability.

In all matters relating to the policy and administration of the bank the board of directors should act as a unit, as a harmonious body. In one of the most successful banks in the United States it is the rule with the board of directors that if any proposition or motion brought before the board is seriously opposed by any member, the matter is dropped. This preserves a spirit of unanimity which is essential.

The directors of a bank should be broad-minded men, the small petty spirit will only prove a bar to success. Let me give an instance. A National bank was organized in one of our principal cities. At one of the meetings for organization the question of a name came up. Various branches of trade were well represented. One branch, the produce, because so aggressive in their determination to have it named after their particular branch, going so far as to state that the bank was especially for their particular line of business and no other was wanted, that they succeeded in driving off many of their best stock subscribers. Naturally this bank lived only a few years. The management was contentious and petty from the start, and the bank died a natural death, went into liquidation.

In the selection of a President, the question of popularity is too often the main feature, and experience too little considered. Too many seem to think that any man who has made money in any line of business can easily manage a bank, and yet this is a great mistake.

To manage a bank successfully a man needs the practical experience in the detail just as much as in a manufactory of any kind.

The *first* element always to be considered in selecting an officer, or director, or even employees of a bank, is character, and this should be above reproach in every respect; it cannot be too high. Any man of drinking or sporting or gambling tendencies has no business being connected with a bank.

A bank President should be a broad-minded man, a man of liberal ideas, but cautious. He should be one whom all can respect, endowed with firmness, yet not domineering; a man of quick perception, and able to grasp situations and act promptly. As he is in reality the general manager, he should be able to advise and direct, and from his practical knowledge be able to know when a transaction is right or wrong.

The National Banking Law prescribes various duties for the President and the by-laws of National banks generally make the President "responsible for all such sums of money and property of every kind as may be intrusted to his care or placed in his hands by the board of directors, or by the Cashier, or otherwise come into his hands as President," and they further state that "all contracts, checks, drafts, etc., and all receipts for circulating notes received from the Comptroller of the Currency, shall be signed by the President or Cashier;" also, "all transfers and conveyances shall be made by the bank and under the seal thereof, in accordance with the orders of the board and shall be signed by the President or Cashier."

Although he is the general manager, yet it will be seen that he is subservient to the board of directors, they being really the governing power.

The President must sign the circulating notes and all certificates of stock issued, and it is customary for him to sign the minutes of all business meetings (which should be attested by the Cashier). He should sign and swear to the reports of condition that are to be sent to the Comptroller of the Currency, whenever necessary, and he should be able to know if they are correct before he does so. Only a practical banker can do this. He should carefully supervise the loans between the meetings of the board, and must therefore have a knowledge of business conditions and credits.

Having said much regarding what a bank President should be, let me give a few illustrations from life showing what he should not be.

At the organization of a new bank so much quarreling took place that it was found impossible to secure any man of prominence for the presidency. A wealthy stockholder presented the name of his son, who held barely enough stock (ten shares) to permit his being a director. The son had been a commission merchant, and not very successful at that; a man of speculative habits, with little tact and no banking experience. In a very few years he had nearly ruined the bank and brought disgrace upon himself. Eventually the bank had to go into voluntary liquidation.

A new bank was started in an active growing town. A man was elected President who was considered "popular," that is, hail-fellow with everybody, always ready to stand treat or be treated with "the boys," a member of the clubs, and of the "Blood-horse Association," decidedly speculative tendencies, a local politician, with no banking experience, smart but not over-scrupulous. His bank was ruined in ten years and his reputation gone, and that of some of his directors dragged down with him.

In another case similar to the above the bank lasted two years and a half and was closed by the Comptroller, and the depositors realized only about twenty-five per cent.

Another bank President, with no experience, was imposed upon by a gentlemanly, shrewd, and not too scrupulous Cashier, who induced him to sign and swear to reports of condition to the Comptroller which were in reality false. The drama ended with a broken bank and a sentence of five years in the penitentiary, for ignorance is no excuse in the eye of the law. J. P.

(To be continued.)

HOW MUCH RESERVE SHOULD A BANK CARRY?

No exact rule can be laid down as to the amount of reserve that a bank should carry in order to keep within safe and prudent limits. The percentage required in the National Bank Act is, for practical purposes, little better than a rough guide. The proper reserve limit varies with each bank according to the nature of its business, and even with the same bank may vary during the year as the character of the deposit line shifts.

An interesting and instructive method of arriving at the correct per cent. of reserve for any bank is to go carefully over the balance due banks, bankers and individual depositors, and the amounts outstanding on Cashier's checks, certificates of deposit and certified checks. Set opposite each amount the reserve that ought to be carried on that particular account. The total of the first columns will show the demand liabilities of the bank and the addition of the second columns will show the total amount of reserve to be carried. The per cent. of reserve is then readily found.

This is a practical and not a theoretical way of getting at the question for any specific bank. For accuracy of results it is really the only way.

For example, three accounts may each carry a balance at the close of business on any particular day of fifty thousand dollars. From personal acquaintance with the depositors, the Cashier knows that account No. 1 will be all drawn out through the next day's clearing; the reserve here must be the full amount of fifty thousand dollars. Account No. 2 will probably lose one-half, and account No. 3 will probably remain undisturbed for a month or more.

STANDARD FORMS FOR BANK PAPERS.

The preparation of standard forms for bank papers would be an admirable subject to be taken up by the bankers' associations or by the various clearing-houses.

The collateral promissory note, for example, is used constantly by every bank in such and such a city. And yet no two banks in that city will use precisely the same form. There is every reason why they should do so. The promissory note is a legal, not a business, document. It means not what business men think it means, but what the court of last resort declares that it does mean. Therefore the blank form to be used by customers should be carefully prepared by the bank's counsel. But as the banks in the same clearing-house all operate under the same law, would it not be better to have a common form for all? Perhaps the most direct way of getting at the difficulty would be to have the executive committee call for a sample form from each bank and then go carefully over the points of difference, and under the advice of competent counsel prepare and recommend a standard form for all to use. The recommendation would not be at all mandatory but it would certainly carry great weight. As new points are decided by the courts the standard form could be altered and thus kept constantly up with the times. It would also be an advantage to the borrower to know exactly what he was signing. At present the borrower seems willing to sign pretty much anything that is offered, provided he can get the desired loan. If the note is paid at maturity all is well, but if there should come a failure to meet the obligation, with subsequent legal proceedings, then the bank may find that a form which did very well five or ten years ago is open to entirely unexpected defenses arising from recent decisions.

As with promissory notes so with various forms of banking papers that are in constant use. Standard forms agreed upon after careful consideration would always be found very advantageous.

A POINT FOR BONDING COMPANIES.

It is usual for bonding companies to require individual applicants for bonds to give references as to personal character and so on. Some of the forms sent to references to be filled up are very elaborate and go more minutely into personal matters than is either necessary or agreeable. It is doubtful whether it be wise to push a voluntary reference too close with these questions. Many men object on principle to saying, and still more to writing, anything disagreeable about an acquaintance or a friend, and will cut the matter short either by not answering at all or by not answering quite correctly. The briefest form that the writer has seen dispenses entirely with the list of questions and reads somewhat as follows:

"Mr. A has applied to this company to go on his bond for such an amount and in such a position and gives you as one of his references. Kindly let us know what you think of the application."

Such a form is much more satisfactory to the reference, and for all practical purposes is just as good for the company. It might be well to add a clause like the following:

"If you prefer to give a verbal response, our representative will be glad to call upon you at your convenience."

This gives a chance for the reference to speak more plainly than he might be willing to write and might occasionally lead to new business.

THE RAISING OF CHECKS.

A National bank examiner writes as follows on this subject:

"Referring to the suggestions in your July number (p. 78) for preventing the raising of checks, I beg to submit a sample in that direction showing wherein banks could more fully

guard against the danger of having drafts tampered with. As will be noted, whenever the Cashier signs on same line in which the amount is written, it would be well to punch the blank space below with star mark, or if thought preferable, with figures representing the dollars for which the draft is drawn, which he would otherwise use, in cases when the amount for which drafts are drawn would take up the entire line."

*STATE BANKS OF ISSUE IN ILLINOIS.

[This essay was written by Charles Hunter Garnett, A. M., a student of the University of Illinois, in competition for a prize of $100, offered by Henry H. Harris, of the First National Bank, Champaign, Ill. The judges to whom the competitive essays were referred were unanimous in awarding the prize to Mr. Garnett.]

THIRD PERIOD: 1835–1842.

From 1831 to 1835 Illinois had no banks. Indeed, during these years the Legislature was careful to insert in all charters granted to corporations for business purposes that no banking functions should be exercised by the corporation. But by 1835 the reaction against banks had nearly spent its force, while events had recently occurred which seemed to make a bank desirable for the State. Among these events was the employment of the State banks as depositories by the national Treasury. This employment was one of the results of President Jackson's successful "war" on the Bank of the United States. In his report for 1834, the Secretary of the Treasury, Mr. Woodbury, remarked that the $10,000,000 of public deposits were enabling the selected State banks "to discount freely, and to support a sound paper currency in their own neighborhood." Some of the people of Illinois began to think it unfortunate that their State was not in a position to obtain a share of the benefits to be derived from the use of the public funds.

In his message to the Legislature in December, 1834, acting Governor Wm. Lee D. Ewing, in the following somewhat remarkable passage, proposed the re-establishment of a bank:

"Permit me to present to the consideration of your honorable body, the subject of the establishment of a State Bank. Public opinion seems to have been pronounced against the re-charter of the present Bank of the United States, in such unequivocal language as to involve the establishment of such an institution in an absolute necessity. I, therefore, in my capacity as Senator, propose to offer for your consideration a project for a State bank, which, under the administration of judicious management, will annually defray the expenses of the civil administration of the State Government—pay off the interest and principal of the State loan—reproduce the annihilated school fund, and bring it back into being—cover all contingent defalcations and create a fund for the ultimate payment of the loan necessary to be made upon which to found the bank, as also the annual payment of the interest thereof. And in addition to all these desiderata, afford to our country, at this time almost wholly destitute of a monetary medium, a safe and approvable currency. * * * The bills of the United States Bank, withdrawn from circulation, as they necessarily will be, in order to a final close of its concerns, our State will be left without a known good or bad currency. Hence I propose the establishment of a State bank, founded not upon the baseless impalpable fabric of a vision—but upon a gold and silver reality."

In his inaugural address at the same session Governor Duncan also advocated chartering a bank, but advised caution in framing its charter. "Unfortunately," he said, "banks are too often established to benefit the rich speculator, with no reference to the interest and convenience of the industrious poor, which has justly excited a jealousy among the people against all banks, and should admonish us to be exceedingly careful in the first permanent introduction of them into our State."

Perhaps the majority of the people of the State wished to be as cautious as Governor Duncan, but some, according to Ford,† were anxious that the speculations

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* Continued from the August number of the MAGAZINE, page 218.

† Ford's History of Illinois, p. 169.

prevalent farther East should begin in Illinois. The mania for sudden riches, which, as Prof. Sumner* says, is the chief cause of periods of speculative madness, had already taken possession of the people in the northern and eastern parts of the country. It was due in great part to the enlargement of the Erie Canal in 1835,† which was expected to do wonders for the development of the territory bordering on the lakes. Speculation in Illinois had just begun and was as yet confined entirely to Chicago. The Whigs as a party were supposed to be favorable towards banks, State and National, and many Democrats argued that President Jackson, though he destroyed the Bank of the United States and denounced it as a "permanent electioneering machine," was in favor of State and local banks.

These various considerations led to an attempt in the Legislature of 1835 to re-establish a State bank. The establishment of a bank had not been an issue in the campaign, and their experience with the old State bank had made so deep an impression on the people that the project met with strong opposition. In the House it passed by a majority of only one vote—27 to 26. This vote was obtained by the bank party from a member opposed to the bank, in consideration of his election as State's Attorney. In the Senate a vote was obtained from a Senator, likewise opposed to banks, in consideration of the passage of a bill to tax the lands of non-residents in the military tract at a high rate for road purposes.‡ By such means as these the bank measure was pushed through the Legislature, and the Council of Revision approved it, though the Governor objected. It was not a party measure. Both Democrats and Whigs voted for it on grounds of public utility and expediency. It proved, however, to be the first of a series of legislative acts which brought the most disastrous results upon the State.

The Act incorporating the "President, Directors and Company of the State Bank of Illinois," approved by the Governor February 12, 1835, was a much better and wiser instrument than that which established the old State bank. The capital stock was to be $1,500,000, which might be increased by individual subscriptions by an amount not exceeding $1,000,000; but business might be commenced as soon as $250,000 in specie was subscribed. The State was to subscribe $100,000 whenever the Legislature thought proper and the condition of the treasury justified.

The bank was to continue twenty-five years. It could hold only such real estate as was necessary to its business or had been mortgaged to it as security for loans. The principal bank was to be at Springfield, and an office of deposit and discount at Vandalia. The President and directors were empowered to establish as many as six other offices of discount and deposit. Ten dollars in specie or notes of the Bank of the United States or certificates of deposits in any of the deposit banks of the United States in New York or Philadelphia, were to be paid down on each subscription, and the remainder in such installments as the directors might determine, but no installment could be demanded without eight weeks' notice. As it was desired that the stock be held as far as possible by the citizens of the State, the charter provided that the subscription books should be open twenty days earlier within the State than elsewhere, and that if upon closing them it was found that more than $1,400,000 had been subscribed, the excess was to be taken first from non-resident, and then from the large resident, subscribers. The provisions intended to restrict non-resident and extensive stock holding failed completely to effect their purpose. Through numberless agents scattered over the State, non-residents secured powers of attorney from many persons, "empowering them respectively to subscribe bank stock for them and to manage it subsequently."‖

In order to divorce the bank from politics the officers were prohibited by the

* Sumner's History of American Currency, p. 124. † Ibid., p. 118.
‡ Ford's History of Illinois, p. 170.
‖ Davidson & Stuve's History of Illinois, p. 419.

charter from membership in the Legislature, and the bank was forbidden to interfere in elections under penalty of forfeiting its charter. The corporation was given power to borrow any sum not exceeding $1,000,000 and to loan it on real estate double in value to the amount loaned, for a term not exceeding five years, at a rate not higher than ten per cent. It could issue notes to the extent of two and one-half times its capital stock paid in and possessed, exclusive of deposits, and could loan and discount to three times the amount of such stock. If it should refuse for ten days to redeem any of its notes in specie its charter was to be forfeited and damages assessed to the holder of the notes at the rate of ten per cent. from the time the notes were presented until they were paid. Notes of a less denomination than five dollars were not to be issued, and the Legislature might, after fifteen years, restrict the issue of denominations less than ten dollars. As a safeguard against the repetition of the "stay laws" of the period of the former bank, it was provided that "The Legislature of this State shall never pass any law retarding, obstructing, staying, protracting or in any wise suspending the collection of any debt or debts due the bank." In lieu of all other taxes and impositions the bank was annually to pay into the State treasury one-half per cent. on its capital stock paid in by individuals.

The same causes which had led to the establishment of the State bank brought about a revival of the Bank of Illinois at Shawneetown, which had remained dormant since its suspension in 1821. On February 12, 1835, an Act was passed extending its charter for twenty years from January 1, 1837. The directors were to issue a call for an installment of its stock, and all stockholders who failed to make the payments in pursuance of the regular calls were to forfeit their stock. The Governor was directed to sell the $100,000 of stock reserved by the charter to be subscribed by the State. If this stock could not be sold as provided for, it was to remain on the books of the bank for subscription. The legal rates of interest were fixed at six per cent. on loans for six months or less, and eight per cent. on loans for over six months. Like the State bank it was to pay in lieu of taxes one-half per cent. on its paid-up capital. The anxiety for a bank at this time was not based on an actual need for it. As Ford says:

> "The State was young. There was no social or business organization upon any settled principles. * * * We had no cities, no trade, no manufactures, and no punctuality in the payment of debts. We exported little or nothing. We had no surplus capital, and consequently the capital for banking must come from abroad. Some few then foresaw, what proved true, that it would be difficult to find directors and officers for two banks and numerous branches, who, from their known integrity, and financial knowledge, would be entitled to the public confidence. The stockholders would (as they did) reside abroad in other States. They could not supervise the conduct of the directory in person. It was probable that many improvident loans would be made and that the banks would be greatly troubled in making their collection."*

Yet the stock of the new bank was readily, even greedily, taken, and the bank went into operation in 1835. At that time a strong desire to build up a commercial emporium within the State was entertained by many citizens; and Alton was looked upon as the place most likely to fulfil that desire. As yet, however, nearly the whole trade of Illinois, Wisconsin and the Upper Mississippi, was concentrated at St. Louis. The Alton interest in the bank was sufficient, in case of division, to control its management. Accordingly the bank lent its aid towards building up Alton and diverting the trade of the North and West thither. Godfrey Gilman & Co. were supplied with $800,000 with which to get control of the immense lead trade from the mines on Fever River and about Galena. Immediately the price of lead rose from $2.75 to $4.25 per hundred. To exclude further competition the Alton merchants invested some two or three hundred thousand dollars in mines and smelting

* Ford's History of Illinois, p. 173.

establishments. But their agent did not stop here. He began to deal in lots in Galena, and spent money profusely. The effect was soon apparent; property in Galena rose in a few months more than 2,000 per cent. But all these exertions and lavish expenditures to get control of the lead trade could not keep up the price of that commodity in the East, its destined market. The lead of the Alton merchants after being stored in New York for a year or two awaiting a rise in prices, was finally sold at a ruinous sacrifice. Operations in produce proved equally disastrous, and it has been estimated that the bank lost altogether in its Alton operations nearly $1,000,000.* Instead of building up Alton and giving the bank a monopoly of exchanges on the East, the result of this scheme was to crush Alton and bring the bank, in its second year of existence, to the verge of bankruptcy.

In the meantime, however, the situation was on its surface sufficiently promising. In the latter part of 1835 the bank stock was at a premium of thirteen per cent. This fact led the Governor to advise the Legislature, which was then sitting in special session, to subscribe in behalf of the State for the $1,000,000 increase in its capital which the bank by its charter was authorized to make. His plan was then to sell the stock at a premium and turn the profit into the treasury. But the Legislature did not altogether follow his advice. On January 16, 1836, it authorized the bank to sell at public auction the additional $1,000,000 of stock which its charter permitted it to issue; to establish three additional branches at its option; and to have fifty days, in addition to the ten previously allowed, for the redemption of its notes after presentation; but none of these provisions were to take effect until the bank had contracted with the Governor to redeem the Wiggins loans with the interest that should accrue thereafter on the same. This condition was accepted by the bank on the 9th of the following June. The Legislature also made the bank paper receivable in payment of the revenue of the State, and of the college, school and seminary debts.

By the summer of 1836 land and town lot speculation was in full blast in Illinois, and the follies of 1819 were repeated on a larger scale. Chicago had been the starting place, and was still the center, of this activity. Nearly every one had town lots for sale, and naturally enough all were impatient for a great influx of immigration and the rapid development of the State. It was believed that these could be obtained by a system of improvements. The people soon became enthusiastic on the subject, and an internal improvement convention was assembled at the same time that the Legislature of 1836–37 met. The convention recommended that the Legislature adopt a system of internal improvements which "should be commensurate with the wants of the people." Thus urged the Legislature passed an Act "to establish and maintain a general system of internal improvements." The Act established what was called a Board of Fund Commissioners and provided for a vast system of works in the way of improving navigable rivers, and constructing canals and railroads. For carrying out the proposed schemes the Legislature voted a loan of $8,000,000. The total expenses of the government of the State from its admission up to 1836, did not reach $1,000,000. Truly indeed did "mere possibilities appear highly probable, and probabilities wear the livery of certainty itself."

On February 28, 1837, the Bank of Illinois was authorized by the Legislature to borrow $250,000 and loan the same upon real estate security at a rate not higher than ten per cent. On March 2 the Governor was instructed to subscribe for the $100,000 of stock reserved to the State by the charter of the State bank of Illinois.† Two days later an Act was passed increasing the capital stock of the State bank $2,000,000, to be subscribed wholly by the State, and that of the Shawneetown bank $1,400,000, $1,000,000 to be subscribed by the State and $400,000 by private sub-

* Ford's History of Illinois, p. 178. This paragraph is taken largely from this author.

† It had not been sold.

scription; provided that the consent of the banks should first be obtained.* Ten per cent. of the stock subscribed was to be paid by the State (in specie) as had been done by private stockholders. The fund commissioners were authorized to negotiate a loan, not exceeding $8,000,000, for which they were to issue certificates of stock called "the Illinois Bank and International Improvement Stock." When the increase in the stock of these banks was subscribed by the State, the Legislature was to elect five additional directors for the State bank and nine for the Shawneetown bank. This still left a majority of the directors of each bank private stockholders, although the State held much the larger portion of the stock of each. The Shawneetown bank was authorized to establish three branches of discount and deposit, one at Alton, one at Jacksonville and one at Lawrenceville, whenever the interests of the community or bank should require it. The fund commissioners might deposit in any bank or banks of the State, all funds obtained for internal improvements; and the banks were made the fiscal agents of the State in respect to all internal improvement funds. They were to make quarterly reports of their condition to the fund commissioners, and the Legislature might, by committee, make such examinations of their affairs as it deemed proper. All bank notes were made payable where issued. It was expected that the bank stock thus provided would command a premium of at least ten per cent., since the first $1,500,000 of stock, offered in 1835, had risen to thirteen per cent. above par, and that the State's share of the stock would yield a handsome dividend. Accordingly the bill provided that the dividends and profits accruing from the stock should be applied first to payment of interest on the loans authorized by the same Act; that the balance. together with the premium on stock sold, should constitute a fund to be held inviolable for the payment of the interest on the loans authorized by the internal improvement Act; and finally that whatever balance of the dividends and profits remained should be deposited in the banks to the account of the fund commissioners. By another Act of the same date the banks were made depositories of the State revenues, which they were to receive, and, upon the warrants of the Auditor, pay out without charge.

The fact that most of the officers of the State bank were Whigs caused it to be regarded as a Whig concern. Under the leadership of Judge Smith, who now pronounced the bank unconstitutional, although he had written its charter and advocated its passage through the Legislature, and Judge McRoberts, receiver of public moneys at Danville, the Democrats maintained a strong opposition to it. An Act of Congress of the previous session had provided that the surplus revenue from the sale of public lands might be deposited in the banks of the various States. The bank made an effort to get a share of these deposits, but it was so hated by the Democrats, and they made such representations at Washington as to its unsoundness, that the Secretary of the Treasury refused its request. Its notes fell below par and were gathered up and presented for specie, which was then paid into the land office for public lands, and thus drawn out of the State. To check in some measure this constant drain of specie the bank resorted to the expedient of getting its notes in circulation as far as possible from the branch where they were issued.

The State Treasury had been solvent in 1835, but when, after the old plan of making the bank the custodian of the public funds had been adopted, the bank's paper had begun to depreciate, the road to bankruptcy was entered upon and was traveled before 1838.

By the measures passed in the winter of 1837 the banks and the State were inseparably linked together. and the gigantic improvement scheme involved both alike in ruin. This scheme has a history of its own and can only be mentioned here. A canal connecting Lake Michigan and the Illinois River had been the dream of every

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* See error as to this in Davidson & Stuve's History of Illinois, p. 240.

statesman since 1820, and its realization now seemed near at hand. The first difficulty arose when the bonds which the State issued for the canal loan were taken East to be sold. To the great surprise of the commissioners they could not be disposed of. In this strait the banks came to the rescue and took $2,665,000 of the bonds at par. The Shawneetown bank disposed of its share of $900,000, but the remaining $1,765,000 of them which fell to the State bank were not sold but were used as capital and the bank's business expanded accordingly. The condition of the Illinois banks at this time and for various years up to 1863 as well, may be seen from the tables on the opposite page.

Within two months after the passage of the internal improvement Act, and before the scheme could be fairly launched, there came the financial revulsion of 1837. The expansion of the banks, of which the internal improvement craze had been the chief cause, had reached its widest limits when the crash came. The causes and history of this panic are two well known to need mention here. By May the banks in the surrounding States had suspended, and the Illinois banks, though solvent, could no longer stand the strain. By their articles of incorporation they could not suspend specie payments longer than sixty days without forfeiting their charters. But they had been made the fiscal agents of the State, and all the State moneys and the internal improvement funds, amounting in all to $1,055,604, were deposited with them. If the banks were forced into liquidation, it would mean a great loss to the State and the failure of the whole internal improvement scheme. To avoid this catastrophe the canal commissioners wrote to the Governor urging him to convene the General Assembly for the purpose of relieving the banks, which they declared to be perfectly solvent, but manifestly unable to resume, or at all events to continue, specie payments while all the other banks of the country were in suspension. A special session was accordingly called for July 10. In his message the Governor made a statement of the case without directly recommending that suspension be legalized, though he did recommend a partial repeal of the internal improvement Act. The Legislature legalized the suspension, but left the internal improvement Act intact. By an Act of July 21, all the State's bank stock was pledged to redeem any loans made for internal improvement. On the same day that provision of law which declared that no bank should refuse for sixty days to redeem its notes in specie upon penalty of forfeiting its charter, was suspended until the end of the next general or special session of the General Assembly; provided that each bank should first agree to conform to the following conditions: Make no dividend before resuming specie payments; neither sell, dispose of nor pay out any of its specie, except for change, and in sums under five dollars; make monthly reports to the Governor of its condition; not increase its circulation beyond the amount of capital stock actually paid in; receive and pay out any funds belonging to the State, free of charge; allow such of its debtors as were citizens and residents of the State to pay their debts in installments of ten per cent. each, upon executing new notes with approved security; and surrender its charter if any of these conditions were violated. The conditions were promptly accepted by the banks. "It will be remembered that the Legislature, in 1835, in the law incorporating the State banks of Illinois, had solemnly enacted that the Legislature of the State should never pass any law retarding, staying, protracting, or in any wise suspending the collection of any debt or debts due the State bank. It furnishes a somewhat striking example of the futility of such provisions not incorporated into a paramount written constitution."*

At this session complaints were made of mismanagement of the canal funds by the banks, but an examination by committees produced no results.

By this time party lines had become closely drawn upon the subject of the banks.

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* Lyman J. Gage's Banking in Illinois, World's Congress of Bankers and Financiers, p. 421.

Statistics of State Banks in Illinois for Various Years. Principal Liabilities.

Years.	Capital Stock.	Circulation.	Due to Banks.	Other Liabilities.
1835	$ 278,739	$ 178,810	$ 5,739	$ 200,000
1836	478,220	653,661	13,175	200,000
1837	2,041,760	1,565,373	37,342	1,681
1838	4,673,050	1,990,993	348,995	188,836
1839	5,435,055	3,729,513	533,494	
1840	5,423,185	3,724,092	230,707	24,891
1841	5,386,765	4,367,829	149,104	
1843	5,016,640	2,212,127	17,550	
1845	2,713,640	1,183,256	2,219	23,000
1853	1,702,456	1,351,788	315,441	14,116
1854	2,513,790	2,283,526		294,034
1856	3,840,946	3,420,985		241,903
1857	5,872,144	5,534,945	210,483	157,981
1858	4,679,325	5,238,930	19,662	131,764
1859	4,000,334	5,707,048	15,621	525,344
1860	5,251,225	8,981,723	26,533	552,338
1861	6,750,743	11,010,837	64,200	422,220
1862		1,415,076		
1863	894,845	619,286	110,739	42,112

Principal Resources.

Years.	No. Banks.	Loans and Discounts.	Stocks.	Due from Other Banks.	Real Estate.	Notes of Other Banks.	Specie Funds.	Specie.	Other Resources.
1835	2	$ 313,902	$	$ 209,396	$ 4,671	$ 20,150	$	$243,223	$
1836	7	1,203,763		55,689	8,296	69,983		279,670	4,465
1837	8	3,098,751		620,790	14,179	268,653		590,794	11,070
1838	8	4,416,577	2,690,000	234,145	27,533	70,718		684,487	4,944
1839	8	6,046,615	3,363,750	701,290	57,138	331,860		989,172	103,136
1840	9	5,930,256	2,544,750	759,537	108,994	199,381		756,964	175,170
1841	15	5,454,938	2,128,629	1,105,817	534,421	193,124		942,895	
1843	14	3,668,167	2,085,552	72,165	1,243,327	24,784		798,998	
1845	15	2,286,902	424,326	30,363	1,191,505	11,836		78,697	
1853	23	586,404	1,780,617	880,541	13,202	233,576		419,531	
1854	29	316,841	2,671,903	878,612	31,158	385,339	63,892	565,152	1,368,203
1856	36	337,675	3,777,676	2,354,571	79,940	517,066	37,165	759,474	1,108,148
1857	42	1,740,671	6,129,613	3,952,450	52,832	433,717	19,297	635,810	
1858	45	1,146,770	6,164,017	2,813,578	59,567	265,034	6,433	233,239	4,757
1859	48	1,296,616	6,486,652	2,627,690	87,769	271,526	9,272	269,585	1,837
1860	74	387,229	9,826,691	3,201,416	92,429	343,269	39,397	223,812	1,679,277
1861	94	546,876	12,264,580	3,793,753	116,551	287,311	37,920	302,905	2,035,736
1862	19								
1863	25	221,380	501,947	110,151	206,231	109,295	55,793	104,018	425,460

Report Compt. Curr., 1876, p. 118.

The Whigs supported them and the Acts legalizing suspension, while the Democrats opposed both. The Whigs regarded the banks as institutions of the State, and denounced the Democrats for opposing them as disloyal and opposed to the Government. This bitter partisanship was in a way a benefit to the banks, for it gave them staunch and unswerving friends among the Whigs.

In his farewell message, delivered December 24, 1838, Governor Duncan said:

"The banks of our State, as well as those of our sister States * * * have resumed specie payments, and are fully entitled to the public applause and confidence they are now enjoying, for the prudence and judgment they have used in sustaining themselves under difficulties of so threatening a nature."*

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* Ford's History of Illinois, p. 297.

Certain members of the General Assembly also warmly commended the action of the banks in suspending as a step likely to conserve the best interests of the State and community. At the very same session Governor Carlin, a Jackson Democrat, in his inaugural address, denounced the banks in severe terms, and declared that no exigency could ever justify the suspension of specie payments, and that to sanction such suspension by legislation was to legalize the violation of law and moral obligation. He pointed out as defects of the banking system, "the difficulty of exacting from the banks a strict and rigid compliance with the provisions of their charters and of compelling them by process of law to meet their various obligations and contracts; and the impossibility of preventing them from using their power and influence to affect and control the politics of the country."

At the session of the Legislature in 1838 an Act was passed, known as the small note Act, to protect the State banks from competition of private bankers. Several insurance, and other companies, notably the Chicago Marine and Fire Insurance Company, had taken advantage of the privilege conferred by their charters of loaning money and receiving it on deposit, to issue certificates of deposit, which circulated as money and were generally more certain of redemption than bank notes. The new law declared that notes of a denomination less than five dollars, issued by any banking institution not chartered by the State to issue notes, should not be payable; that debts incurred by receiving such notes should be uncollectible; and that any person passing them should be liable to severe punishment.

In March, 1839, the power of appointing State directors to the banks was transferred from the Legislature to the Governor, and the Shawneetown bank was authorized to establish two additional branches. At the same time a joint resolution was passed by the General Assembly denouncing the action of the General Government in refusing to make the Illinois banks depositories of the public money, and depositing it instead in the bank of Missouri; an action which, according to the resolution, was manifestly injurious to the interests of the people of the State.

In September, 1839, upon the promise of Governor Carlin to deposit $500,000 of internal improvement bonds as collateral security, the Shawneetown bank loaned the commissioners of public works $200,000. The Governor's promise was never fulfilled. Ford says* that this sum, together with $80,000 previously loaned for building the State House, was never repaid. By an Act of February 26, 1841, the Legislature directed the debt to be paid in Auditor's warrants of a denomination of $10,000, at six per cent. interest, and according to a communication from an agent of the bank to the Governor in January, 1843, the full amount was held by the bank at that time in State bonds and scrip.†

When the Legislature met in December, 1839, the crisis of 1839 had already come and the banks had once more suspended specie payment. Governor Carlin again attacked the banks, especially the State bank, on much the same grounds as before. He declared that the banking system of the State was at war with the genius of a free government, and was radically defective; that the State bank having set at defiance the will of the community by the suspension of specie payments, no longer merited any favors at the hands of the Legislature. Therefore he recommended that no law be passed to legalize the suspension by the bank, and that a rigid and thorough examination be instituted into its condition. Such an examination was at once ordered by the Legislature. Most of the inquiries made by the investigating committee were satisfactorily answered by the bank. It appeared, however, that the bank directors had in general been the largest borrowers; that Godfrey Gilman & Co., of Alton, had at one time had loans to the amount of $800,748; that Samuel Wiggins, of Cincinnati, having originally taken $200,000 of bank stock, had obtained

* History of Illinois, p. 224.

† House Reports, 1842-43, p. 202.

loans to the amount of $108,000 upon the pledge of his stock and had used the money thus obtained to meet his installments on the stock; that the Chicago branch, though without the knowledge of the parent bank, had been engaged in the pork trade; and that the parent bank had made a venture in lead.

When this report was received the Legislature, in which the bank had many friends, again legalized its suspension of specie payments, notwithstanding the Governor's recommendation to the contrary. The time limit and the conditions of this suspension were the same as had been made in 1837, with the additional proviso that the banks should make no loan on a pledge of their own stock, nor suffer any person to become indebted to them for over $10,000 on his own paper, or $25,000 on bills of exchange. The Chicago branch was ordered removed, and on the 14th of the following July it was transferred to Rockport. The other branches in operation at this time, and located at Galena, Jacksonville, Belleville, Mount Carmel, Alton, Quincy and Vandalia, were all continued. The internal improvement law was repealed and operations under it stopped. The State debt was over $10,000,000, and since the Treasury was completely bankrupt interest on it had to be met by further loans.

The Legislature of 1840–41 was convened two weeks earlier than usual in order to make some provisions for paying the interest on the State debt. The debt by this time amounted to $13,643,601, and the annual interest on it greatly exceeded the State's revenue.*

In his message the Governor presented the alternatives of increasing taxation or increasing the State's banking capital, but strongly advised against the latter. The committee on finance, however, advised that, since there existed on the part of the people such unwillingness to pay taxes, the bank capital be increased to six millions. This increase, they thought, would produce a reaction in business and enable the banks to resume and sustain themselves, and even declare a dividend of perhaps nine per cent. This dividend would, they declared, pay the interest not only on the sum invested, but also on the larger part of the State's debt. "Taxation for any public enterprise will be entirely avoided, by gradually increasing the banking capital as the commerce and the population of the State demands." Very fortunately the recommendation of the committee was rejected and increased taxes were voted, the immediate emergency having been met by the hypothecation of State bonds.

The Legislature was Democratic and therefore opposed to permitting the banks to continue in suspension. These institutions had declared their ability and intention to resume on January 15, 1841, the date fixed for resumption generally throughout the United States, but their enemies were more anxious to destroy them than to have them resume. Governor Carlin, in his message, repeated his former denunciations of the banks. It will be remembered that suspension had been legalized in 1839 to extend to the end of the next regular or special session. The Democrats now contended that that part of this session preceding the time for the regular session to begin, constituted a special session, and that if it were adjourned *sine die* the banks would have to resume specie payments or forfeit their charters. The Whigs claimed that the whole was but one session, and attempted to defeat the adjournment *sine die*, by breaking a quorum. To prevent this the Democrats closed the doors, whereupon several Whigs, Abraham Lincoln among them, leaped out of the windows. Enough were detained, however, to make a quorum, the Legislature adjourned, and the Democrats believed that the banks were abolished. But such was not the case, for though the banks failed to resume even by January 15, the date they themselves had set for the resumption, before the end of the regular session an Act was passed which set aside any forfeiture that had been caused by the failure of the banks to redeem their notes. The same Act legalized indefinite suspension on the usual con-

* Governor's Message, 1840.

ditions, but with the additional proviso on the part of the State bank that it purchase at par $200,000 of State bonds in semi-annual installments of $50,000 each. The Chicago branch was reopened. Debtors were again allowed to pay their debts by executing new notes and paying a ten per cent. installment, and the bank was given the privilege of issuing notes in denominations of one, two and three dollars until January 1, 1843. At this session, also, the singular condition was imposed upon a manufacturing company in the grant of its charter, that all sums received above $100 must be deposited in the State bank at Vandalia. It was believed that the privilege of issuing small notes would enable the banks to make an earlier resumption. Of course it had the opposite effect.

The change of the Legislature from a hostile to a friendly attitude toward the bank may be accounted for by the fact that since the bank was the custodian of the State's funds and revenues—was practically the State Treasury—the members were entirely dependent upon it for their pay. Auditor's warrants, issued at fifty cents on the dollar, could be cashed only at the bank, which fact made many of the erstwhile hostile now desirous of conciliating that institution. Many direct charges of corruption and bribery were made against the bank at the time and have been made since but they are without absolute proof.

The financial condition of the State at this time is reveal.d by these words in the Auditor's report for December 5, 1842:

"Toward the close of the last session of the Legislature, when the State bank refused to redeem the Auditor's warrants, the members of the General Assembly, after having been in session about three months, were unpaid and without means; the judges and other officers were in a similar condition, and the credit of the State at the same time had sunk so low that the public documents could not be obtained from the post office until the officers themselves became personally reponsible for the postage. In this extremity the State bank was able to dictate its own terms to the Legislature and extort from that body whatever concessions it chose to demand."

The Whigs claimed that this deplorable condition of affairs was caused by a loss of confidence which the vindictive opposition of the Democrats to the banks had brought about. "According to their views," says Ford,* "if the banks owed five times as much as they were able to pay, and if the people owed to each other and to the banks more than they were able to pay, and yet if the whole people could be persuaded to believe the incredible falsehood that all were able to pay, this would be a revival of confidence rather than the restoration of a general delusion."

The banks soon passed the stage where confidence could aid them. The State bank, in order to regain the favor of the Legislature and the people which it knew it had forfeited, taxed its resources to redeem outstanding Auditor's warrants to the amount of $300,000. Its notes, which had been at a discount ever since the United States had refused to make it a depository for the public money, had gradually sunk to twelve and fifteen per cent. below par. Finally the action of certain of the bank's directors, contractors to build the Northern Cross Railroad, brought on the culmination of its misfortunes. For building the railroad they were to be paid in canal bonds, which at that time were unsalable. To obtain loans from the bank they defeated a proposition not to prevent expansion during suspension, and declared that the bank could not issue an excess of paper while in suspension. Having obtained loans themselves they were compelled to vote loans to others also. Greater tension was thus put upon the bank's credit, and its notes, increased in volume, sank still lower. At length, in February, 1842, the State Bank of Illinois, with a circulation of $3,000,000 "exploded with a great crash, carrying widespread ruin all over the State and into the neighboring States and Territories." In the following June the State Bank of Illinois, at Shawneetown, to which also the State

* History of Illinois, p. 227.

was heavily indebted, with a circulation of about $1,700,000, likewise collapsed. The notes of these banks, having been at a slight discount for several years, had of course banished all good money from the country so that now the people were left without circulating medium. This had to be obtained from other States by the then tardy process of trade and commerce. "The banks and the State had been partners in speculation and now they were partners in embarrassment. The revenues were payable in notes of these broken banks; the State paid no interest on her bonds, of which the banks held a large amount, and they were worth in the market but fourteen cents on the dollar."* Indeed, after July, 1841, no attempt was made to pay the interest on the public debt. For this reason, and from a lack of information as to its cause, the inhabitants of the State came to be regarded by the citizens of other States as dishonest.

Towards the end of 1842 the bank paper had fallen to one-third its face value, business was stagnant, immigration had ceased, and barter had to be resorted to to procure the necessaries of life. Governor Ford thus sums up the situation, as it was when the Democrats elected him to the gubernatorial chair in 1842:

"The domestic Treasury of the State was indebted for the ordinary expenses of government to the amount of about $313,000. Auditor's warrants on the Treasury were selling at fifty per cent. discount, and there was no money in the Treasury whatever; not even to pay postage on letters. The annual revenues applicable to the payment of ordinary expenses amounted to about $130,000. The Treasury was bankrupt; the revenues were insufficient the people were unable and unwilling to pay high taxes; and the State had borrowed itself out of all credit. A debt of nearly fourteen million dollars had been contracted for the canal, railroad and other purpose. The currency of the State had been annihilated; there was not over two or three hundred thousand dollars in good money in the pockets of the whole people, which occasioned a general inability to pay taxes. The whole people were in debt to the merchants, nearly all of whom were indebted to the banks or to foreign merchants; and the banks owed everybody, and none were able to pay."†

What to do with the banks was therefore the problem which confronted the Legislature of 1842. Governor Carlin in his valedictory message recommended that their charters be unconditionally repealed and the banks forced into liquidation. This plan, though manifestly unjust, was advocated by the group of ultra-Democrats, and was sure of popular favor, for the banks had made themselves so odious by their many delinquencies that the people were ready to countenance the most extreme measures against them. Most zealous among the advocates of repeal was Lyman Trumbull, Secretary of State, and he was joined, after some hesitation, by Stephen A. Douglas. The adoption of this plan meant, however, the probable loss of the $3,100,000 of bank stock held by the State, and Governor Ford in his inaugural message favored some sort of compromise. It was evident that the connection of the banks with the State ought to be severed, and the Governor thought that some arrangement could be made by which the State could get back the $2,665.000 in bond which had been issued to them. He recommended that, if the bank refused or were unable to resume specie payments at an early day, the Legislature provide for winding up their affairs promptly and withdrawing their notes from circulation, or take some other measure that would "relieve the country from the curse and blight of broken banks and their depreciated paper."

By an Act of January 24, 1843, the State bank was given four years in which to wind up its affairs, a bank commissioner to represent the State was to be appointed by the Governor with the consent of the Senate, and the bank was to go into immediate liquidation and pay out its specie, *pro rata* among its depositors and note holders, with the exception of $15,000 reserved to pay the expenses of settling its affairs. It was also to issue certificates of indebtedness for the residue of the respective obligations, these certificates to be receivable for debts due the bank or property pur-

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* Davidson & Stuve's History of Illinois, p. 425.

† History of Illinois, p. 278.

chased of it. The specie obtained in the collection of debts was likewise to be paid out *pro rata* to creditors at the end of every twelve months, and debtors who would pay one-fifth of their loans with all interest and costs were to be allowed to renew the same from time to time by executing new notes. The bank was to deliver to the Governor, within five days, State bonds, scrip, and other evidences of debt equal to $2,050,000, and was to receive in return $2,050,000 of its stock held by the State, the remaining $50,000 to be reserved until the bank's final dissolution. No execution was to be levied upon specie in possession of the bank so long as its officers complied with the rules concerning the same; all banking privileges other than those necessary to wind up its business were to be withdrawn, no bank property was to be sold for less than two-thirds of its appraised value; and finally, the bank was required, within three days, to file its acceptance of these provisions with the Secretary of State.

An Act "to put the Bank of Illinois into liquidation" passed February 25, 1843, and to go into effect on March 3 following, deserves some mention, though it was suspended by another measure of the same date and never went into force. That it was arbitrary and severe as well as without due regard to the rights of private stockholders will be seen from some of its provisions. The bank's charter was to be repealed, and all its estate was to vest in three commissioners, appointed by the Governor, who were to proceed direct to Shawneetown and take possession of the banking house and all goods and chattels, credits, cash, effects, and bank bills belonging to the bank; all specie was to be paid out *pro rata* among creditors and the other property disposed of for their benefit; if resistance was offered the commissioners were empowered to summon the *posse comitatus* to their aid, and any person so resisting was declared a felon and liable to imprisonment for ten years. It is plain that this Act was intended chiefly as a threat to coerce the bank into compromising, for on the same day another bill, entitled "an Act to reduce the public debt one million dollars and put the Bank of Illinois into liquidation," was passed. This measure was similar to the one for closing the State bank and provided that the bank should turn over to the State $1,000,000 of State liabilities, half in five days and half in twelve months, and should receive from the Governor in return an equal amount of its stock, which the State held. On acceptance of these provisions the Act "to put the Bank of Illinois into liquidation" was to be suspended for four years.

By these Acts the public debt was reduced by $3,050,000. The action of the State in cancelling $3,050,000 of its bonds by a transfer of an equal amount of bank stock by legislative action, has been criticised as not equitable towards the bill holders, or towards the private stockholders who had paid cash for their stock. Certainly if an individual who bought bank stock in 1837 had paid for it in his notes, as the State did in bonds, he would not, after the bank had been acknowledged insolvent, have been allowed to take them up by a return of the stock.*

But meanwhile others than the State were taking care of their interests. Prior to this legislation certain speculators bought the controlling interest in the bank and had themselves elected directors. Then they secretly borrowed $100,000 of its specie, transmitted it to New York, and bought at thirty cents on the dollar $333,000 of the $804,000 of interest bonds which had been illegally hypothecated with brokers there by the fund commissioners of 1841. They then paid with these bonds the $100,000 of specie which they had borrowed, and their stock notes which the bank held. After the bonds had passed into the possession of the bank they were tendered to the Governor in 1844 in exchange for stock according to the liquidation law. At first the Governor refused to receive them, inasmuch as a law had been passed for

* Brown's History of Illinois, p. 442.

the settlement of the bonds hypothecated in New York; but later when it became apparent that these bonds had been widely scattered, and the law could not be complied with, he accepted them on conditions subject to the approval of the Legislature. That body would not at first ratify the contract but later, in 1847, compromised by receiving the bonds at forty-eight cents on the dollar.*

Subsequently the State Bank of Missouri, jointly with several other creditors, brought a chancery suit in the United States Court for the District of Illinois against the bank and its officers and agents. By the decree in this case three Receivers were appointed to take charge of the bank's assets, make sale, and apply the proceeds in payment of its debts and in redemption of its issues, and to settle its affairs generally. But one of the trustees qualified, and upon his death Judge Thomas, of Jacksonville, was appointed in his place, and acted in that capacity about twenty years. In 1871 he remitted for cancellation to the clerk of the United States Circuit Court, at Chicago, who had been appointed a special auditor, the last of the notes and certificates, amounting to about $700.†

The charter of the Cairo Bank which, it will be remembered, had been granted in 1818, but not brought into existence until 1836, was repealed and the bank put into liquidation on March 4, 1843. The institution was under the management of the Cairo City and Canal Company which had come into possession of some of the lands mentioned in the charter of the City and Bank of Cairo of 1818, and thereby claimed the right to exercise banking functions, although its own charter expressly prohibited all banking powers. Upon this claim it established a branch at Kaskaskia, issued notes, and carried on a general banking business for a few years, but suspended in 1839 and did not again resume. No compromise was offered it, but all its property was vested in a trustee with the largest possible powers and with orders to collect the assets and pay them out *pro rata* as soon as possible.

This was the end of banks in Illinois owned in whole or in part by the State. At once affairs began to brighten; Auditor's warrants rose to eighty-five and ninety cents, and State bonds from fourteen to forty cents; immigratiou began again and a period of great prosperity followed. Various causes contributed to bring about this result, though Governor French in his inaugural message in 1846 attributed it wholly to the liquidation of the banks. And it is certainly true that throughout the period of their connection the banks and the State had proven "a mutual curse.",

(To be continued.)

MINIMUM NATIONAL BANK CAPITAL.—The October number of the "North American Review" contains an article by Thornton Cooke on "The Minimum Capital of a National Bank."

The writer admits that the National Banking Act is defective in that it does not provide for proper banking facilities in towns where the business will not justify the organization of banks with a capital as large as $50,000. He thinks, however, that to permit National banks to be formed with a minimum capital of $25,000, while it might result in some gain in banking facilities in the smaller cities, the system would be considerably weakened by the reduced capital and thus a part of the prestige now implied by the word "National" in a bank's charter would be destroyed.

He concludes that the proper remedy for existing conditions is not to reduce the minimum bank capital, but to increase it and to allow banks to establish branches.

Heretofore one of the strongest arguments against the big bank with branches has been that such a system is not in accord with our political institutions. But it can hardly be contended that our form of government is so rigid as to prohibit us from taking advantage of whatever may be found most suited to the development of our national resources.

* Davidson & Stuve's History of Illinois, p. 426. † Ibid.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court 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.

INSOLVENT NATIONAL BANK—STOCK SOLD UNDER FRAUDULENT REPRESENTATIONS—REPUDIATION OF CONTRACT.

United States Circuit Court, District of Oregon, November 18, 1897.

STUFFLEBEAM *vs.* DE LASHMUTT.

A person who has been induced by the fraudulent representations of the President of a National bank to purchase shares of stock therein may, upon discovery of such fraud, repudiate the contract, and if he acts promptly, and no obligations are incurred by the bank in the interval between the transfer of the stock to him and the laying of an assessment, such fraud is a defense to him in an action brought by the Receiver to recover the assessment.

BELLINGER, *District Judge:* This is a demurrer to the separate answer of De Lashmutt to the complaint in an action brought to recover an assessment upon National bank stock held by defendant, on the ground that the facts alleged do not constitute a defense to the cause of action set out in the complaint. The separate answer alleges, in effect: That defendant was induced by false representations, fraudulently made, as to the condition of the National Bank of Moscow, by Brown, the President of the bank, and Brune, its Cashier, to convey land of the value of $15,000 to Brown in consideration of the transfer to defendant of stock in the bank of the par value of $12,500. That about twenty days thereafter said bank was closed by the officers of the United States Government, and the bank taken in charge by them. That then, for the first time, the defendant became apprised of the condition of the affairs of such bank, and of the fraud practiced upon him. That he then learned that said bank was insolvent at the time the stock was assigned to defendant. That the stock at that time was valueless, and the holders thereof were, moreover, liable to be called upon for assessments to pay creditors. That, as soon as this condition of the affairs was made known to defendant, he rescinded the contract he had made with Brown, and called upon him to reconvey the land taken by him; and defendant tendered the stock, duly assigned, to Brown. That Brown refused to accept such tender, or make reconveyance, as demanded. That immediately thereupon, and prior to the assessment sued on, defendant brought a suit against Brown to rescind such contract, and reconvey the land so fraudulently, as alleged, procured to be conveyed by Brown and Brune. The plaintiff contends that the liability of defendant is absolute; that it follows the legal ownership of the stock in his hands, regardless of any right in defendant to have the contract by which he took such title canceled.

It is held in numerous cases—and there is nothing to the contrary—that a subscriber who is induced to subscribe for stock in a corporation by fraudulent representations may set up such fraudulent representations by way of defense in an action to recover the purchase price of the stock so taken. (*Bank* vs. *Peck*, 29 Conn. 384.) And a Receiver has only the right existing in the corporation at the time of his appointment. The case mainly relied upon in support of the demurrer is that of *Pauly* vs. *Trust Co.* 165 U. S. 606, 17 Sup. Ct. 465. This case holds that if the owner of stock transfers his shares to another as collateral security for a debt due to the latter from such owner, and if, by the direction or with the knowledge of the pledgee, the shares are placed on the books of the association in such way as to imply that the pledgee is the real owner, then the pledgee may be treated as a shareholder, within the meaning of Section 5151 of the Revised Statutes of the United States, and therefore liable, upon the basis prescribed by that section, for the contracts, debts, and engagements of the association. The Court, in its opinion, says:

"It is true that one who does not in fact invest his money in such shares, but who, although receiving them simply as collateral security for debts or obligations, holds himself out on the books of the association as true owner, may be treated as the owner, and therefore liable to assessment, when the association becomes insolvent and goes into the hands of a Receiver. But this is upon the ground that, by allowing his name to appear upon the stock list as owner, he represents that he is such owner; and he will not be permitted, after the bank fails, and when an assessment is made, to assume any other position, as against creditors. If, as between creditors and the person assessed, the latter is not held bound by that representation, the list of shareholders required to be kept for the inspection of creditors and others would lose most of its value."

And the Court, in its opinion, further says:

"But this rule can have no just application when, as in this case, the creditors were informed by that list that the party to whom certificates were issued was not in fact, and did not assume to be, the owner of the shares represented by them, but was, and assumed to be, only a pledgee, having no general property in the thing pledged, but only a right, upon default, to sell in satisfaction of the pledgor's obligation. * * * As already indicated, those may be treated as shareholders, within the meaning of Section 5151, who are the real owners of the stock, or who hold themselves out, or allow themselves to be held out, as owners in such way and under such circumstances as, upon principles of fair dealing, will estop them, as against creditors, from claiming that they were not in fact owners."

The liability thus held to exist is, as will be seen, upon the principle of an estoppel, by which a person who has held himself out as a stockholder of a corporation will not be allowed to escape the liability that attaches to him in that relation, as against persons who dealt with the corporation upon the strength of his relation to it as a shareholder.

In *Waite* vs. *Dowley* (94 U. S. 527), the Court says that the Act of Congress "was merely designed to furnish to the public dealing with the bank a knowledge of the names of its corporators, and to what extent they might be relied on as giving safety to dealing with the bank." Many of the cases use the expression, with reference to the conduct of persons sought to be held as stockholders, "holding themselves out" as stockholders. If in this case any creditor for the payment of whose debt the assessment sued on was levied, had become a creditor after the transfer to De Lashmutt of the shares of stock upon which he is sought to be held, the principles of the case of *Pauly* vs. *Trust Co.* would apply.

In such case it must be said that the creditor acted upon the representation that De Lashmutt was a stockholder, in extending his credit to the corporation; and in that case, whatever equities there might be as between De Lashmutt and the persons from whom he took the stock, these would not avail the defendant as against the innocent creditor, who dealt with the corporation without knowledge of these equities. Consider the reason for the liability that attaches to the stockholder whose name appears upon the books of the company as such. What efficacy is there in the fact of the name of the stockholder being upon the books of the company to bind him? The reason of the obligation is apparent. It is in the fact that this appearance of the books of the corporation operates as an inducement to persons to deal with the corporation. There is no mystery in the binding character of the obligation which the stockholder assumes whose name appears upon the books of the company. The obligation is because of the principle of estoppel, by which one is precluded from denying a relation which he has assumed, and upon the strength of which others have acted. If no one has acted upon this representation; if the contract is repudiated with promptness, and before an assessment or other attempt to enforce the liability is made—there is no reason in law or in morals why the party should be bound as a stockholder. In this case the facts, as disclosed by the separate defense, show that De Lashmutt acted with promptness upon discovering the fraud that had been perpetrated on him, in proceeding to disaffirm the contract under which he took the stock, and he brought his suit to cancel that contract and recover back the consideration paid by him before this assessment was made; and it is not claimed that any debt of the corporation was created between the time of the transfer and the levying of the assessment, so that, so far as the creditors of the bank are concerned, they have not been affected by the transfer to the defendant. No one has been prejudiced by what has been done. The rights of all persons interested in the assessment made are precisely what they would have been had there been no transfer of stock by Brown to the defendant.

Under these circumstances, upon what principle of justice, or of law, which is the embodiment of justice, can De Lashmutt be held to a liability on account of the fraud by which he was induced to give up a valuable property for certificates of stock, which were not only worthless at the time, but which carried with them a large liability in favor of existing creditors? The case is not different from those cases where the action has been brought to recover the consideration agreed to be paid by the transferee for the stock taken by him. In those cases the action has been brought either by the corporation itself, or by the Receiver acting for the creditors of the corporation. In this case the Receiver has no greater right than the corporation would have, suing in its own right.

The demurrer is overruled.

NATIONAL BANK—PURCHASE OF WHEAT.

Court of Appeals of Kansas, S. D., W. D., August 19, 1898.

FIRST NATIONAL BANK OF GREAT BEND *vs.* BANNISTER.

A National bank may purchase wheat where such purchase is necessary to protect the interests of the bank.

DENNISON, *P. J.* (omitting part of the opinion): This action was originally commenced before a justice of the peace in Barton County, Kan., and appealed to the district court. The defendant in error, Bannister, sought to recover a judgment against the bank for the purchase price of 422 bushels of wheat at the agreed price of fifty cents per bushel. The bill of particulars alleges that the plaintiff below sold to the bank, at its special instance and request, certain wheat, and at their special instance and request delivered it to one John W. Pascoe. The bank, as defendant below, demurred to the plaintiff's bill of particulars and evidence. The court overruled both of said demurrers, and found generally and specially for the plaintiff below, and rendered judgment against the plaintiff in error in the sum of $128.15, with ten per cent. interest from November 29, 1895, and it brings the case here for review.

Counsel for plaintiff in error argue that National banks are not authorized to buy and speculate in wheat. We answer that, if necessary to seed a farm that they have been compelled to purchase under an execution in their favor, and in order to protect a claim owing to the bank, or in any event where the purchase is necessary to protect the bank's interests, it can purchase wheat. The bill of particulars states a cause of action.

NATIONAL BANK OFFICERS—EMBEZZLEMENT BY—WHAT CONSTITUTES.

Supreme Court of Alabama, February 23, 1898.

STATE *vs.* NICHOLLS, *et al.*

1. The 907th section of the Revised Statutes, making it an offense for any President, Cashier, or others in the service of a chartered bank, "to knowingly and wilfully embezzle or convert to his own use the funds of the bank," furnishes a complete definition of the crime. "Embezzlement" has a technical meaning; without addition, is of common use; and the violation of trust or duty, the incident of embezzlement, is implied in the section, by the relation it implies, if not states, between the President or Cashier and the funds of the bank. (Rev. St. U. S., §§ 5209, 5471, 5475, 5496; 2 Archb. Cr. Prac. & Pl. p. 560; *U. S.* vs. *Northway*, 7 Sup. Ct. 580, 120 U. S. 334; *Batchelor* vs. *U. S.* 15 Sup. Ct. 446, 156 U. S. 429; *U. S.* vs. *Britton*, 2 Sup. Ct. 512, 107 U. S. 666.

This section (Rev. St. § 907) though from a legislative Act of 1821, when all banks in this State existed under special charters, cannot be restricted to such banks, but extends to all banks, whether holding their franchises under special legislative Act, or under the general law for the creation of corporations, especially in view of the fact that since 1855 the offense has been part of the Crimes Code of the State, extending to embezzlements by Presidents and others in the service of all chartered banks. (Acts 1855, No. 120, § 83; Pierce & King's Revisory Legislation of 1852, p. 192, § 48; Act No. 166 of 1855; Rev. St. 1870, § 907.)

In explaining "embezzlement," used in this section (Rev. St. § 907) it is not error, to illustrate the offense, for the court to refer to the usual methods of proof of general acceptance; nor can such illustrations be understood as changing the statutory embezzlement with which the accused is charged.

The Cashier of a bank is, in legal contemplation, the custodian of its funds. Section 907 of the Revised Statutes was designed to punish embezzlements by the President, Cashier or others in the service of the bank, whether or not legally charged with the custody of the bank's funds. Hence the instruction, reasonably construed, was not erroneous, that, in prosecutions under that section, the actual custody of the money by the accused must not be shown.

Nor will the verdict be set aside because, in explaining the intent to constitute the offense of "wilfully and knowingly" embezzling and converting the funds of the bank, the trial judge stated, in effect, that embezzlement was the fraudulent appropriation of another's property; that the intent of the accused to appropriate to his own use must have existed at the time of the appropriation charged to constitute the offense; that "an act was wilfully done when done without reasonable belief it was lawful"; these and similar expressions of the trial judge announcing with reasonable accuracy the criminal intent essential to the crime. (Syllabus by the court.)

FORGED CHECKS—FACSIMILE OF SIGNATURE—RUBBER STAMP.

Supreme Court of Pennsylvania, July 21, 1898.

ROBB *vs.* PENNSYLVANIA COMPANY FOR THE INSURANCE OF LIVES AND GRANTING ANNUITIES.

The mere possession by a depositor of a stamp which reproduces a *facsimile* of his signature, is not of itself such negligence that it will relieve the bank from liability for paying checks upon which such signature has been fraudulently placed by an employee.

Whether the depositor has exercised due care in keeping such stamp where it might not be put to an improper use, is a question of fact for the jury to determine.

McCollum, *J.*: This suit was brought to recover the amount of a deposit made by the plaintiff with the defendant. It may be conceded, for the purposes of this appeal, that the deposit was paid out by the latter on checks purporting to be drawn by the former and that the checks were forgeries.

In the trial of the case in the court of common pleas, and on the appeal to the superior court, the principal defense to the action was that inasmuch as the plaintiff had, without notice to the defendant, procured a rubber stamp which would make a *facsimile* of his signature, he must sustain the loss occasioned by an unauthorized use of the stamp by a person who had unlawfully and clandestinely obtained possession of it, and by means of it perpetrated the forgeries on which the deposit in question was paid out by the defendant.

The trial court, being of the opinion that it was not unlawful for the plaintiff to have such a stamp produced for his own proper use and convenience, refused to hold that his procurement of it without notice to the defendant constituted a bar to his suit for the money paid out on the forged checks. It held, however, that, if the possession of the stamp by the forger of the checks was attributable in any degree to the negligence of the plaintiff in the care of it, such negligence would relieve the defendant from responsibility for the loss, but that the question whether he failed in the performance of his duty in this respect was for the jury, and determinable on the testimony affecting it.

This view of the case resulted in a verdict for the plaintiff, and from the judgment entered thereon an appeal was taken to the superior court, which, in an opinion by its learned president, affirmed it.

The case is now before us on the allowance of an appeal from the judgment of the superior court, and the defense made to the plaintiff's claim is simply a reiteration of the defense made in the trial court and on the appeal, which resulted in the decision we are asked to reverse.

We cannot regard the production of the rubber stamp, on the plaintiff's request, as an unlawful act; nor can we assent to the claim that his procurement and possession of it without notice to the defendant relieved the latter from liability for the amount paid out on the forged checks.

An act which is in and by itself entirely lawful, and which had no relation to the plaintiff's deposit with the defendant, did not impose upon the former the duty of notifying the latter of the performance of it; and, if such a duty was not created by the plaintiff's procurement of the stamp, the loss occasioned by the use of it in the perpetration of the forgeries did not necessarily fall upon him.

If, however, the forger obtained possession of the stamp through the negligence of the plaintiff, the responsibility for the loss occasioned by the forgeries would not rest upon the defendant, if its Cashier exercised due care in the inspection of the checks. It is needless to inquire on this appeal whether such care was exercised by the Cashier, because the question is not raised by the assignments.

The principal questions considered in the court of common pleas and in the superior court were whether the plaintiff's possession of the stamp, without negligence in the care of it, and without notice to the defendant that he had it, relieved the latter from liability for the money paid out on the forged checks, and, if it did not, whether the evidence in the case was sufficient to authorize a finding by the jury that the plaintiff, as owner and custodian of the stamp, had taken proper precautions to prevent an unlawful appropriation or use of it.

It seems to us that these questions were rightly determined by the courts referred to, and that the reasons given for the conclusions arrived at by them were sound. The clear, concise, and convincing opinion of the learned president of the superior court fairly includes and disposes of the material questions in the case, and upon it we unhesitatingly rest an affirmance of the judgment.

The fourth assignment alleges error in the instructions to the jury on the questions of negligence, but a careful consideration of the charge has satisfied us that there is no error in it. Judgment affirmed.

Sterrett, *C. J.*, dissented.

SALES OF COTTON—STATE STATUTE—APPLICATION TO NATIONAL BANK.

Supreme Court of Georgia, June 7, 1898.

NATIONAL BANK OF AUGUSTA *vs.* AUGUSTA COTTON AND COMPRESS CO.

The Act of Georgia providing that the defendant had made and delivered a new note, which was accepted by the plaintiff, applies to transactions by National banks in that State.

COBB, *J.:* 1. In 1854 a law was passed by the General Assembly which declared that "cotton sold by planters and commission merchants on cash sale shall not be considered as the property of the buyer or the ownership given up until the same shall be fully paid for, although it may have been delivered into the possession of the buyer; any law, usage, or custom to the contrary notwithstanding."

The title of the Act from which this extract is taken was, "An Act for the protection in certain cases of planters and cotton sellers within the State of Georgia." (Acts 1853–54, p. 56.)

In 1857 a similar law was passed in reference to rice sold by planters and commission merchants. (Acts 1857, p. 15.) These Acts were embodied in the first three Codes of the State.

In 1884 the section of the then existing Code which embraced the Acts above referred to was amended by adding other commodities to the provisions of the section, and inserting a proviso that, in cases where the property which was the subject of the sale had been delivered into the possession of the buyer, the right of the seller to collect the purchase money should not be affected by the loss or destruction of the property by fire or otherwise. (Acts 1884–85, pp. 45, 52.)

The section of the present Code relating to this subject is in the following words: "Cotton, corn, rice, crude turpentine, spirits turpentine, rosin, pitch, tar, or other products sold by planters and commission merchants on cash sale, shall not be considered as the property of the buyer until fully paid for, although it may have been delivered to the buyer; provided, that in cases where the whole or any part of the property has been delivered to the buyer, the right of the seller to collect the purchase money shall not be affected by its subsequent loss or destruction." (Civ. Code, § 3546.)

* * * * * * * * * *

4. It was further contended by the plaintiff in error that the judgment of the court below was erroneous because the plaintiff in error, being a National bank, was protected by the provisions of the Act of Congress relating to National banks from the provisions of the statutes of this State which were followed by the court in its decision.

That section of the National Bank Act which it is claimed is in conflict with the statute law of this State declares that a National bank has authority "to exercise by its board of directors, or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debts; by receiving deposits; by buying and selling exchange, coin and bullion; by loaning money on personal security; and by obtaining, issuing and circulating notes according to the provisions of this title." (Rev. St. U. S. 1875, § 5136, par. 7.)

We can see nothing in th's section which would give to National banks any greater rights than to any other corporation or person engaged in the banking business in this State. It was certainly not the intention of Congress by the words quoted to place a National bank located and doing business within a State upon a different footing in regard to commercial transactions from other banks or persons engaged in the banking business. It is not contended, of course, that there is any language which expressly does this; and as we have seen, there is no language in the section which can be held to bring about this result by implication.

SUITS BY DEPOSITORS AGAINST DIRECTORS—FEDERAL COURT RULES.

United States Circuit Court, Western District of Virginia, July 27, 1898.

FOSTER, *et al. vs.* BANK OF ABINGDON, *et al.*

The rule of the Federal courts requiring that a stockholder who brings an action founded upon a right which might be asserted by the corporations, shall set forth the efforts made by him to secure action by the corporations, does not apply to suits brought by depositors against the directors of banks.

PAUL, *District Judge:* This suit is brought by the plaintiffs, who were depositors in the Bank of Abingdon. They sue for themselves and all other creditors who may come into the cause and contribute to the costs thereof. The only questions now before the court are raised on demurrer filed by the defendants. The grounds assigned for sustaining the demurrer are the following:

"(1) That it appeareth by the complainants' own showing by the said bill that they are depositors in the Bank of Abingdon, an ordinary bank of discount and deposit, of which the defendants were directors, and that, being such, they have no right to institute this suit against the said defendants, there being no allegation in said bill that the authorities of said bank decline to sue.

* * * * * * * * * *

In the first ground of demurrer assigned, it is insisted that, the complainants being depositors in said bank, they have no right to institute a suit against the defendants, who are directors of the bank, there being no allegation in the bill that the authorities of the bank decline to sue. That a stockholder in a corporation cannot maintain in this court a bill in equity against the corporation and other parties founded on rights which may properly be asserted by the corporation, without setting forth the efforts of the plaintiff to secure such action as he desires on the part of the managing directors or trustees, and, if necessary, of the shareholders, and the causes of his failure to obtain such action, admits of no discussion. These allegations are made necessary by the provisions of the ninety-fourth equity rule, and we have numerous decisions of the Federal courts based on the requirements of this rule. (*Dannmeyer* vs. *Coleman*, 11 Fed. 97; *Hawes* vs. *Oakland*, 104 U. S. 450; *Huntington* vs. *Palmer*, Id. 482; *Bell* vs. *Donohue*, 17 Fed. 710; *Church* vs. *Railroad Co.* 78 Fed. 526.)

Counsel for the defendants have discussed the demurrer as though this were a suit by a stockholder of a corporation against the directors thereof. All of the authorities cited are in support of this position. But the court conceives there is a wide difference between the relation of stockholders in a bank to the corporation of which they are members, and a majority of whom exercise a controlling influence in all its affairs, and a depositor of the bank who has no voice in its control and management. The general relation of the bank to a depositor is that of debtor and creditor. (*City of St. Louis* vs. *Johnson*, 5 Dill. 241, Fed. Cas. No. 12,235.)

Under certain conditions a stockholder in a bank bears the relation of debtor to the depositor. The relation of the directors of a bank to its depositors is that of trustees to *cestuis que trustent*, and, as such, they are personally responsible for frauds and losses resulting from gross negligence and inattention to the duties of their trust. (*Bank* vs. *Bosseiux*, 8 Fed. 817; *Marshall* vs. *Bank*, 85 Va. 676.)

The requirements of the ninety-fourth equity rule as to precedent action to be taken by a stockholder before he can maintain a suit against the bank and its directors do not apply to a depositor, and no case to which the attention of the court has been directed so holds. But that a depositor can maintain a suit against a bank and its officers for losses occasioned by their fraud or negligence, is sustained by both State and Federal decisions. (*Marshall* vs. *Bank*, 85 Va. 676; *Solomon* vs. *Bates* (N. C.) 24 S. E. 478; *Bank* vs. *Bosseiux*, 3 Fed. 817, and others.)

PROMISSORY NOTE—INDORSEMENT BEFORE DELIVERY.

Supreme Court of Tennessee, March 5, 1898.

NATIONAL EXCHANGE BANK *vs.* CUMBERLAND LUMBER COMPANY.

One who indorses a note before delivery to the payee is liable as a joint maker; and demand and notice of non-payment are not necessary in order to charge him with liability.*

This was an action by the payees upon a promissory note drawn to the order of Rice Brothers. The note was signed "Cumberland Lumber Co., Geo. Benedict, Prest., by O. Ewing, Tr.," and was indorsed on the back: "Geo. Benedict, O. Ewing, A. G. Ewing."

CALDWELL, *J.* (omitting part of the opinion): It is apparent, from an inspection of the note and indorsements, as well as from the findings of fact by the court of chancery appeals, that George Benedict, O. Ewing, A. G. Ewing, and H. C. Ewing indorsed the note before its delivery to the payees, Rice Brothers, who subsequently indorsed it to the complainant. This being so, the prior indorsers are to be treated, in this litigation, as makers, jointly with the Cumberland Lumber Company, and therefore liable for the payment of the note without proof of demand and notice. (*Morrison Lumber Co.* vs. *Lookout Mountain Hotel Co.* 92 Tenn. 9; *Bank* vs. *Jefferson*, 92 Tenn. 537; *Assurance Soc.* vs. *Edmonds*, 95 Tenn. 53; *Good* vs. *Martin*, 95 U. S. 93.)

The last observation answers the first objection of appellants, which is based on a contrary view of the law applicable to this case; and it also renders immaterial the several objections urged against the sufficiency of the demand and notice alleged by the complainant to have been made and given.

It can make no difference, in legal contemplation, that the note in suit was executed in renewal of a prior one to the same payees, and that upon a settlement of accounts between them the payees would have been indebted to the Cumberland Lumber Company in an amount sufficient to satisfy the prior note. A note executed for such a purpose and under such circumstances stands on the same footing, at least so far as the irregular indorsers are concerned, as an original note in like form and tenor. In either case, the presumption is that such indorsers put their name on the paper to induce its acceptance by the payees, and hence they are deemed in law co-makers as to the payees and subsequent *bona fide* holders.

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* The Negotiable Instruments Law provides as follows:

§ 114. 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. (Laws of New York, 1897, Chapter 612.)

CHECKS—DELAY IN PRESENTATION—PROMISE TO PAY CHECKS—CERTIFICATION WITHOUT FUNDS.

United States Circuit Court, Southern District of California, May 2, 1898.

BOWEN *vs.* NEEDLES NATIONAL BANK (MURPHY INTERVENER).

Delay or neglect to present a check does not discharge the drawer, unless he has suffered injury thereby.

A National bank has no authority to guarantee the payment of the debt of a third person solely for his benefit; and a promise of that character, whether made by the Cashier or board of directors, is *ultra vires* and void.

While the promise of a National bank to pay a certain check is binding upon it in favor of a *bona fide* holder, a broad promise to pay all advances which a third person may make upon the checks of another is void, because in excess of the power of the officers of the bank.

The action was originally brought against the Needles National Bank. Some months prior thereto said bank had become insolvent, and was, by the Comptroller of the Currency, placed in the hands of a Receiver, Daniel Murphy, who intervened in this action, August 22, 1896. Plaintiff unites in his complaint four causes of action, each of the first three stated under three separate counts, so drawn as to meet the various legal aspects of the case. The first cause of action was an instrument in writing, as follows:

"N. N. B. THE NEEDLES NATIONAL BANK. No. 2,307.
Duplicate $8,775. NEEDLES, California, Sept. 10, 1894.
Unpaid.
Pay to the order of A. T. Bowen and Co. $8.775.00
eighty-seven hundred and seventy-five and $\frac{00}{100}$ dollars.
W. S. GREENLEE, 4
To Chase National Bank, *Cashier.* 7
New York, N. Y." 3

The second and third causes of action are in all respects the same as the first, except that the checks therein mentioned were drawn, respectively, September 12, 1894, for $8,300, and September 17, 1894, for $5,364.

The fourth cause of action was thus stated in the complaint:

"That on the 25th day of April, 1894, the plaintiff having theretofore advanced moneys to one Isaac E. Blake upon checks drawn by said Blake upon the plaintiff as A. T. Bowen & Co., and not being willing to advance further sums without some guaranty from the defendant, the said defendant, on the said 25th day of April, 1894, in writing, promised and agreed with plaintiff that he would pay all checks signed by the said Blake and drawn upon the plaintiff as A. T. Bowen & Co. That, acting upon the said written promise of the defendant, the plaintiff thereafter, upon checks drawn by the said Blake for the following sums, and upon the following dates, respectively, to wit, September 4, 1894, September 5, 1894, September 10, 1894, and September 11, 1894, for the sums of $8,750, $8,300, $5,300, and $3,500, respectively, advanced to the said Blake the said sums of money upon the dates mentioned, and thereupon presented to the defendant the said checks for said sums, and upon receipt by said bank of the said three first-named checks the defendant issued its three several drafts for the sums above mentioned, payable to the order of this plaintiff, upon the Chase National Bank of New York, and delivered the same to this plaintiff; but that at the time said drafts were drawn and delivered to the plaintiff, and ever since, there has been no money on deposit or in the hands of the said Chase National Bank out of which said drafts could be paid, and the same have become dishonored, and remain wholly due and unpaid. That the said sums of money, respectively, not having been paid by and through said drafts drawn by the defendant, the plaintiff thereupon demanded payment of the defendant of said sums, including the said sum of $3,500, but the defendant has wholly failed and refused to pay said sums or either of them, or any part thereof, and the whole thereof is now wholly due and unpaid."

The instruments sued on were drawn pursuant to a written promise of defendant, referred to in the fourth cause of action, and evidenced by the following telegrams and letters:

"Received at the Western Union Building, 195 Broadway, N. Y., April 25, 1894. Dated Needles, Calif., 25.

To A. T. Bowen & Co., 71 Broadway, New York: We will pay checks signed Isaac E. Blake by W. L. Beardsley. NEEDLES NATIONAL BANK."

"THE NEEDLES NATIONAL BANK, Needles, California, April 25, 1894.

A. T. Bowen & Co., New York City—Gentlemen: We hereby beg leave to confirm our telegram to you of even date, 'We will pay checks signed Isaac E. Blake by W. L. Beardsley,' signed 'Needles National Bank.'

Yours truly, W. S. GREENLEE, *Cashier.*"

"THE NEEDLES NATIONAL BANK, Needles, Cal., August 22, 1894.

A. T. Bowen & Co., New York City—Gentlemen: I am in receipt of telegraph communications from Chase National Bank that our draft No. 2,200 for $7,500, payable to the order of Bowen & Co., has been refused payment until advices received from us guarantying the amount received. I immediately guarantied the amount to be $7,500, and I trust I have put you to no great inconvenience. It is simply a clerical error, which happens to us all some time or other, and in future we will endeavor to be more careful. I have telegraphed you to please pardon our error, and that we wish you to still continue your friendly relations with Mr. Blake and Mr. Beardsley, and that we guaranty absolutely the payment of Mr. Blake's checks as heretofore. I am truly sorry the mistake has occurred, and can venture assertion that it will not happen again. The Keystone Mine has just uncovered a large body of high-grade ore, and, if the vein continues as it is now for the next thirty days, it will make a big showing. Again asking your pardon, I remain, with best wishes, Very truly yours, W. S. GREENLEE, *Cashier.*"

WELLBORN, *J.:* Whether or not said instruments ought to have been presented for payment depends, it seems to me, under the peculiar facts of this case, upon the question whether or not said instruments are to be classified as checks or bills of exchange. While, according to some authorities (1 Daniel, Neg. Inst. § 1567; Civ. Code Cal. § 3254), checks are a species of bills, yet, in this opinion, for the purpose of convenient and clear statement only, I shall, as do some of the text writers (1 Morse, Banks, § 380), treat the check as an independent and distinct instrument from the bill of exchange. While, perhaps, an occasional case may be found holding otherwise, the great weight of authority is to the effect that want of prejudice or injury to the drawer of a bill of exchange never excuses default in making presentment. (2 Daniel, Neg. Inst. p. 207, § 1170.) The rule in California as to what does excuse such default is as follows:

"Presentment of a bill of exchange for acceptance or payment, and notice of its dishonor, are excused as to the drawer, if he forbids the drawee to accept, or the acceptor to pay the bill, or if, at the time of drawing, he had no reason to believe that the drawee would accept or pay the same." (Civ. Code Cal. § 3220.)

"Among the circumstances under which the drawer has a right to expect that his bill will be honored, and consequently to require strict presentment and notice, may be named: * * * Where a third party has promised to provide the drawee with funds." (2 Daniel, Neg. Inst. § 1076.)

See, also, *Id.* §§ 1074–1078. The last paragraph of the latter section is as follows:

"But the *bona fide* expectation of the drawer, based upon his relations with the drawee, and the provision he has made, or intends to make, and does make, are, it seems to us, the circumstances to be regarded. If he has no funds in the drawee's hands when he draws, and yet provides them before presentment, he should have notice. If he had funds when he drew, but withdrew them before presentment, he forfeits the right to it. If the drawer has any arrangement by which, at the time the bill is presented, he has a right to expect it to be honored, we should say he should have demand and notice; for it would be presumed that such arrangement was contemplated when he drew."

Lafitte vs. *Slatter* (6 Bing. 623, s. c. 31 Rev. Reports, 510) is strongly in point. In that case it was held that:

"The drawer of a dishonored bill is entitled to notice of dishonor, although he knows the bill will not be paid by the acceptor; provided he has reason to expect it will be paid by another person, or has a remedy over against that person."

(See, also, Tied. Com. Paper, p. 615, § 355, note 1.)

The rule enunciated in the above quotations, and the reasons therefor, have been clearly stated as follows:

"It is conceded on both sides that there were no funds in the hands of the drawee. The fact of drawing without funds, in the absence of other proof to explain it, is a fraud, for the bill is negotiated under the faith that the drawer has or will place effects in the hands of the drawee to meet the bill; and if he had no effects in the hands of the drawer, and knew that none would be placed there, and that the drawee would not meet the bill, the whole transaction is deemed fraudulent on the part of the drawer. Another, but subordinate reason is given for this exception—that the drawer cannot, in such case, be in any way injured for want of notice of non-payment. But it is the fraud in drawing and delivering such a bill upon which the exception substantially rests, for bankruptcy or notorious insolvency of the drawee, or proof that in fact no injury resulted from want of notice, will not excuse the holder from giving the drawer notice. Notice, therefore, under this exception, is to be dispensed with in those cases where the drawer had no reason to expect, when he drew the bill, that it would be paid. Thus, in the case of *Rucker* vs. *Hiller*, 16 East. 43, it was laid down that the drawer is entitled to notice if he had reasonable ground to expect the bill will be paid, although he have no assets in the acceptor's hands. So, in the case of *Lafitte* vs. *Slatter*, 6 Bing. 623, in which the defendant drew a bill on one Tebbs, under the expectation that a third person, not a party to the bill, who owed him, would provide funds for its payment, but neglected to do so, it was held that the defendant was entitled to notice of non-payment. Indeed, the rule is too well settled, both by English and American cases, to admit of question, that if the drawer has reasonable grounds to expect that the drawee will receive, through the transactions of the drawer, or from some one else, funds to meet the bill, although the drawer had no assets in the hands of the drawee, the drawer is, notwithstanding, entitled to notice of non-payment." (2 Smith, Lead. Cas. Hare & W. Notes, 55. *Miser* vs. *Trovinger's Ex'rs*, 7 Ohio St. 286. See, also, *French's Ex's* vs. *Bank*, 4 Cranch, 141; *Dickins* vs. *Beal*, 10 Pet. 572, and *McRae* vs. *Rhodes*, 22 Ark. 315.)

With reference to checks, however, the rule is quite different, and is thus declared in California:

"A check is subject to all the provisions of this Code concerning bills of exchange, except that: (1) The drawer and indorsers are exonerated by delay in presentment, only to the extent of the injury which they suffer thereby." * * * (Civ. Code Cal. § 3255.)

This rule as to checks is elsewhere stated as follows:

"But there is this difference between bills and checks as to the consequences of negligence or delay in demand and notice: The failure to make a prompt presentment on the day of maturity, and to give promptly the notice of dishonor in the case of bills, will discharge the drawer and indorsers, even though they have not suffered in any wise by the delay or neglect; but in the case of checks the drawer is not discharged by such neglect or delay, if he has not suffered any injury in consequence of it." (Tied. Com. Paper, p. 723, § 442. See, also, 2 Daniel, Neg. Inst. §§ 1,587, 1,588.)

Thus it will be seen that the vital question on this branch of the case is whether or not the instruments sued on in the first three causes of action are checks; for, if checks, failure to present would be excused, because no injury or loss resulted therefrom. If, however, they were not checks, but bills of exchange, default in presentment would not be excused; for, although no injury or loss resulted from the failure to present, yet when the instruments were drawn the defendant had reason to believe that they would be paid. In California a check is defined thus:

"A check is a bill of exchange drawn upon a bank or banker, or a person described as such upon the face thereof, and payable on demand, without interest." (Civ. Code Cal. § 3,254.)

The definition given by one of the text writers already mentioned is as follows:

"A check may be defined to be a draft or order having essentially the characteristics of a bill of exchange, and differing from the bill (1) in being drawn on a bank or banker, (2) apparently and presumptively against a deposit of funds, and (3) payable on demand without grace. The attempt to define checks by comparing them with bills of exchange is frequently criticised as furnishing an incomplete definition. But the definition given in the text is sufficient to point out the essential characteristics of a check, without requiring a second discussion of those principles which are common to both bills and checks; while the points of differentiation between the two kinds of paper are more clearly and prominently set forth." (Tied. Com. Paper, § 430.)

Another definition is as follows:

"A check is (1) a draft or order (2) upon a bank or banking house, (3) purporting to be drawn upon a deposit of funds (4) for the payment, at all events, of a certain sum of money (5) to a certain person therein named, or to him or his order, or to bearer, and (6) payable instantly on demand. * * * Any instrument fulfilling the above description may, we think, be safely denominated a bank check; and the definition given is sustained by many authorities, though not in the language of the text. Writers upon negotiable instruments have differed in their definitions of this species of commercial paper, some falling short of giving all its distinguishing qualities, and some ascribing to it qualities which it is not absolutely necessary that it should possess. And there is none which can be safely relied on as a guide in answering the question, is this paper a check?" (2 Daniel, Neg. Inst. § 1,566.)

The same author, elaborating this definition, says further:

"Sixthly, a check is payable instantly on demand. This is, as we conceive, the touchstone by which a check is tested. Usually no time of payment is expressed upon its face, but all commercial instruments in which no time of payment is expressed are understood to be, and impliedly are, payable on demand; and, when so payable by implication or in express terms, they are payable instantly, without the allowance of grace, which pertains to those payable on a particular day. The whole theory and use of a check points to its immediate payability as its distinguishing feature, and its name imports it. A person deposits money with his bank or banker, where it is subject at any time to his order. By an order he appropriates so much of it to another person, and the bank or banker, in consideration of its temporary use of the money, agrees to pay it in whole or in parcels, to the depositor's order, when demanded. But he does not agree to contract to pay at a future day by acceptance, and the depositor cannot require it." (2 Daniel, Neg. Inst. § 1,572.)

The two chief characteristics of checks are found in the instruments here sued on. They are drawn, and purport to be drawn, on a bank; and, in the next place, are payable instantly, on demand. They do not specify on their face the times of payment; but when this is the case the instrument is presumed to be payable on demand. (Tied. Com. Paper, § 24; 1 Daniel, Neg. Inst. § 599; 2 Daniel, Neg. Inst. § 1,572.) The fact that they are payable in another State than the one in which they are drawn does not change their character as checks. (1 Morse, Banks, § 375.) A draft drawn in one State on a bank in another is nevertheless a check, and, in point of fact, checks are very much used in the United States in transmitting money from one State to another. (2 Daniel, Neg. Inst. § 1,567.) My conclusion is that the instruments sued on possess the characteristics of, and are, checks, and that, inasmuch as the defendant was in no way injured or prejudiced by plaintiff's failure to present said checks, presentment is excused. (See, also, *Bull* vs. *Bank*, 123 U. S. 105, 8 Sup. Ct. 62; *Marbourg* vs. *Brinkman*, 23 Mo. App. 513; Story, Bills, §§ 472, 473; 1 Daniel, Neg. Inst. §§ 469, 472, notes.)

The remaining questions to be determined are whether or not the written promise mentioned in the fourth cause of action was unauthorized, and, if unauthorized, whether or not the defendant is estopped from asserting such want of authority. If the defendant was without authority to make said promise, and is not estopped from pleading such want of authority, then it follows not only that there can be no recovery on the fourth cause of action, but also that there can be no recovery on the first three causes of action, because the checks respectively mentioned in said three causes of action were simply means whereby the defendant, without funds having been provided by Blake, attempted to execute the promise set up in the fourth cause of action. It is well settled that a National bank has no authority to guaranty the payment of a debt of a third person, solely for his benefit; and a promise of that sort, whether made by the Cashier or board of directors, is *ultra vires*. (*Seligman* vs. *Bank*, 21 Fed. Cas. 1,036; *Bank* vs. *Pirie*, 27 C. C. A. 171, 82 Fed. 799.) The latter is doubtless the latest case to be found on the subject, having been decided September 13, 1897. In that case the Court says:

"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 or by fair implication, and the exercise of such power by such corporation would be detrimental to the interests of depositors, stockholders and the public generally. (*Norton* vs. *Bank*, 61 N. H. 589; *State Bank* vs. *Newton Nat. Bank*, 32 U. S. App. 52, 58, 14 C. C. A. 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." (*Bank* vs. *Pirie*, 27 C. C. A. 171, 82 Fed. 801 See, also, *Bank* vs. *Smith*, 23 C. C. A. 80, 77 Fed. 129, and *Flannagan* vs. *Bank*, 56 Fed. 959.

It is true that in the last-mentioned case Judge Ross, who decided it, says, in the course of his opinion, that if the promise of the defendant had been a promise to pay a check drawn on itself, and plaintiffs had parted with their money on the strength of the promise, defendant would have been held liable; citing *Garrettson* vs. *Bank*. (47 Fed. 867.) This, however, was merely a passing observation, outside of the facts, and, moreover, the case cited in its support—*Garrettson* vs. *Bank*—did not involve any question as to the powers of a National bank. It should be further noted that the supposed promise which Judge Ross said would have been enforced was a promise to pay a stated check for a given amount, and there were no circumstances to put the promisee on notice; that the promise was merely a matter of accommodation to the drawer. The same is true of the Garrettson Case.

In *Farmers & Mechanics' Bank* vs. *Butchers & Drovers' Bank* (16 N. Y. 128)—one of the cases cited by plaintiff—the Court says:

"The defendant is a banking corporation, organized under the general banking law of this State; and it is, I think, a sound position that such a corporation exceeds its powers when it becomes the mere surety for another upon a contract in which it has no interest, or lends its credit in any form for the exclusive benefit of other parties. Such a contract is *ultra vires*, and cannot be enforced against the bank by any person cognizant of the facts."

Plaintiff, however, contends that the written promise mentioned in the fourth cause of action, being a contract to pay checks drawn on itself, was, in legal effect, the certification of said checks, and an original undertaking, binding upon the defendant—citing a number of cases; among others, *Merchants' Bank* vs. *State Bank*, (10 Wall. 604, 648), and *Farmers & Mechanics' Bank* vs. *Butchers & Drovers' Bank*, (*supra*), wherein the power of a bank to certify checks is upheld. While the rule enunciated in plaintiff's citations, that a bank has power to certify checks, is now well established—indeed, so far as National banks are concerned, has been legislatively declared (Rev. St. U. S. § 5208; *Merchants' Nat. Bank* vs. *First Nat. Bank*, 7 W. Va. 544)—it does not apply here. The promise of the defendant in the case at bar differs as widely in substance as it does in form from the certification of a check. In *Merchants' Bank* vs. *State Bank*, *supra*, the Court, referring to the certification of a check, says:

"It implies that the check is drawn upon sufficient funds in the hands of the drawer, that they have been set apart for its satisfaction, and that they shall be so applied whenever the check is presented for payment."

No such implications were possible here, for the reason that defendant's promise did not relate to existing checks for fixed sums, but to future dealings, without limit as to time or amount. It was a broad promise to pay all advances of money which plaintiff might thereafter make to Blake on the latter's checks, *i. e.*, checks drawn by Blake on the defendant. The allegation of the complaint is:

"That on the 25th day of April, 1894, the plaintiff, having theretofore advanced moneys to one Isaac E. Blake upon checks drawn by said Blake upon the plaintiff as A. T. Bowen & Co., and not being willing to advance further sums without some guaranty from the defendant, the said defendant, on the said 25th day of April, 1894, in writing, promised and agreed with plaintiff that it would pay all checks signed by the said Blake and drawn upon the plaintiff as A. T. Bowen & Co."

The statement in this quotation that the checks therein mentioned were to be drawn on plaintiff, I think, was inadvertently made by the pleader, since the evidence shows, and such is plaintiff's contention in his brief, that the checks which defendant promised to pay were checks payable to plaintiff as A. T. Bowen & Co., and drawn, not on A. T. Bowen & Co., but on the defendant; and, if plaintiff were entitled to recover on such a promise, the Court would direct or permit the complaint to be amended so as to conform to the evidence. Treating the promise of defendant as a promise to pay checks drawn on itself, it will still be observed that plaintiff counts upon that promise as a guaranty, and, moreover, the defendant, in its letter to plaintiff of August 22, 1894, says: * * * "We guaranty absolutely the payment of Mr. Blake's checks as heretofore." Now men do not guaranty their own debts, nor do they employ that word to designate an original undertaking. "A guaranty is a promise to answer for the debt, default or miscarriage of another person." (Civ. Code Cal. § 2787.) When, therefore, we find that the defendant, in a letter written to the plaintiff before the transactions sued on took place, refers to its promise as a guaranty, and that the plaintiff, when he comes to sue the defendant upon the promise, adopts, in his pleading, the same designation, it is fair to conclude that both the plaintiff and defendant considered said promise, not an original undertaking, but precisely what they call it, a guaranty; that is, a promise to answer for the debt of another person—Blake. In determining whether a promise is a guaranty or an original undertaking, the language made use of, the situation and surroundings of the parties, and every other fact and circumstance bearing upon the question, should be taken into consideration (Brandt, Sur. § 64); and where a promise is, in substance, a promise to pay the debt of another, no matter what its form, it is a guaranty, not an original undertaking (*Id.* § 60 *et seq.*) If, however, as contended by plaintiff, defendant's promise to pay Blake's checks was, in legal effect, a certification of the checks covered by said promise, and therefore an original undertaking, still the defendant would not be liable thereon, for the reason that Blake did not have on deposit with defendant funds to pay said checks, and plaintiff, as I shall show later on, was at least constructively notified of that fact. That a bank certifying a check without funds is not liable thereon to any one except a *bona fide* holder has been decided in numerous cases.* (*Cook* vs. *Bank*, 52 N. Y. 96; *Claflin* vs. *Bank*, 25 N. Y. 293; 1 Morse, Banks [3d Ed.] § 413, subd. "C.") It is true that the Act of Congress of March 3, 1869, above referred to as Section 5208 of the Revised Statutes of the United States, after providing that "it shall be unlawful for any officer, clerk, or agent of any National banking association to certify any check drawn upon the association unless the person or company drawing the check has on deposit with the association, at the time such check is certified, an amount of money equal to the amount specified in such check," further provides that "any check so certified by duly authorized officers shall be a good and valid obligation against the association." This latter provision, however, I am satisfied does not apply where the check is in the hands of the original payee, who knows, or is chargeable with constructive notice, that the check was drawn in violation of law. In *Farmers & Mechanics' Bank* vs. *Butchers & Drovers' Bank* (16 N. Y. 132), one of the cases cited by plaintiff, the Court says:

"Hence it cannot be pretended that a person who should take and pay value for a check, with knowledge that the bank had no funds of the drawer to meet it, would acquire any valid claim against the bank, although such check was certified by the Cashier himself." [The court then found that the plaintiff had constructive notice of the facts, and hence was not entitled to recover.]

COLLECTIONS—LIABILITY OF COLLECTING BANK—CUSTOM AND USAGE.

Supreme Court of Nebraska, April 8, 1898.

DERN, *et al.* vs. KELLOGG, *et al.*

A merchant at H., in this State, being indebted to K. & Co., in Chicago, the latter made a draft upon him, and sent it to a bank at H., without other instructions than to collect and remit. The bank received the draft February 19, presented it, and obtained an oral acceptance, and a promise that it would be paid in a few days. At maturity the merchant requested the bank to hold it, and repeated his promise to pay in a few days. The same thing occurred later. The bank held the draft, without communicating with the drawers, until March 5, when, at the merchant's request, it wrote the drawers, asking an extension of thirty days. March 7, and before an answer was received, it took a conveyance of all of the merchant's property, in satisfaction of a debt to itself, and with an agreement to pay debts to strangers to a large amount, but not including that to K. & Co. It then returned the drafts which could not be collected. *Held*, that it had not performed its duties in good faith, and was liable to K. & Co.

A custom of banks at H., unknown to K. & Co., to so treat collections, was no protection. A custom to be availed of, must be lawful and reasonable.

In such a case it is not necessary for the plaintiff to prove with certainty that, but for the misconduct of the collecting agent, payment would have been obtained. A *prima facie* case is established by showing that such, with reasonable probability, would have been the result.

The fact that all the time the bank held the draft the merchant continued to conduct his business, and had property, subject to execution, to the value of many times the debt, is sufficient to charge the bank, *prima facie*, with the amount of the draft.

(Syllabus by the Court.)

This action was brought to recover the amount of two drafts forwarded to the State Bank of Hooper for collection, and was based upon the alleged negligence of the bank. The facts and the points decided are sufficiently stated in the official syllabus given above.

LIQUIDATING AGENT OF NATIONAL BANK—SUIT BY.

Court of Civil Appeals of Texas, April 20, 1898.

NORWOOD *vs.* INTERSTATE NATIONAL BANK, *et al.*

The liquidating agent of a National bank may sue a stockholder on his note held by the bank, though the affairs of the bank have not been closed.

JAMES, *C. J.* (omitting part of the opinion): Appellant seeks to apply in this case a principle applicable to partnerships, viz., that a partner cannot be sued upon a debt due by him to his firm until after a winding up or accounting, and his liability then is upon the balance ascertained by the setttement. Appellant contends that a corporation circumstanced as plaintiff was, in process of settlement of its affairs by a liquidating agent, is subject to the above rule, in reference to a debt due by a stockholder, and therefore plaintiff had no right to sue on these notes until its affairs were closed.

We believe that there is no merit in this position. The above rule does not apply to corporations, for there is no species of partnership between a corporation and its stockholders, nor among the stockholders themselves. The corporation is not a firm composed of the corporators, but is a distinct entity, and as such is the owner of its property, and can sue or be sued by a stockholder. (Clark, Corp. p. 8.)

The liquidating agent stood in the place of the corporation, and was its agent. Defendant's relation and attitude to him was the same as to the corporation. There was no obstacle to his bringing suit against defendant in the name of the corporation, and it might, and, in our opinion, did, become his duty to do so in this instance. The notes were long overdue and unpaid, and the credits at that time appliable to the notes left a large sum still due.

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: MANAWA, Wis., September 7, 1898.

SIR:—Where should the following draft be presented for payment? "Milwaukee, September 1, 1898. Ninety days after date, with exchange and cost of collection, pay to the order of myself, one hundred dollars, for value received, and charge to account of Peter Jones. To John Smith, Kansas City, Mo." Indorsed across face of draft was the following: "Accepted September 1, 1898. John Smith." CASHIER.

Answer.—It should be presented at the usual place of business or at the residence of the acceptor in Kansas City. (*Ocean Nat. Bank* vs. *Fant*, 50 N. Y. 474, 476; *Smith* vs. *Rockwell*, 2 Hill, 482; *Misson* vs. *Lake*, 4 How. 262; *Freeman* vs. *Boynton*, 7 Mass. 483; *Draper* vs. *Clemens*, 7 Mo. 52.) If he has no place of business or residence in Kansas City, then presentment will be dispensed with.

Editor Bankers' Magazine: TRAVERSE CITY, Mich., September 17, 1898.

SIR:—Can you tell me whether a National bank holding United States bonds, on which no circulation has been taken, can deduct amount of same from valuation of capital stock as assessed for State and local taxation? I am aware that such deduction cannot be made if circulation has been taken on bonds. C. A. HAMMOND, *Cashier.*

Answer.—In assessing shares of National bank stock for taxation, no deduction is required to be made for that portion of the capital invested in United States bonds; and no distinction has been taken between the case where circulation has been issued, and where it has not. (See *Van Allen* vs. *The Assessor*, 3 Wall. 573.)

Editor Bankers' Magazine: ——Ind., September 21, 1898.

SIR:—The blank notes in use in this country contain the following clause: "The drawers and endorsers severally waive presentment for payment, protest, and notice of protest and non-payment of this note." Is this sufficient waiver for endorser, and would we be justified in not protesting such a note received for collection? CASHIER.

Answer.—The rule is that a waiver of this kind contained in the instrument itself is effective as to all persons who indorse the instrument. (*Philips* vs. *Dippo*, [Iowa] 61 N. W. Rep. 216; *Smith* vs. *Pickham* [Tex.], 28 S.W. Rep. 565; *Pool* vs. *Anderson*, 116 Ind. 94; *Bryant* vs. *Merchants' Bank*, 8 Bush. [Ky.] 43.) The rule is thus stated in the Negotiable Instruments Law: "Where the waiver is embodied in the instrument itself it is binding upon all parties; but where it is written above the signature of an indorser, it binds him only." (Sec. 181 N. Y. Act; Sec. 110 Laws Mass., Conn., Md., Va., Fla., Colo.) Such a note therefore does not require protest.

Silk Manufacturing in the United States.—The following table presents the number of silk manufacturing establishments in the United States and value of their products, shown by each census since 1860:

YEAR.	*Number of establishments.*	*Value of products.*
1860	139	$6,607,771
1870	86	12,210,66[illegible]
1880	382	41,033,045
1890	472	87,298,454

BANKERS' ASSOCIATIONS.

REPORTS OF RECENT AND PROSPECTIVE MEETINGS.

CALIFORNIA BANKERS' ASSOCIATION.

The sixth annual convention of the California Bankers' Association met at the Chamber of Commerce, San Francisco, September 15. In the absence of President John J. Valentine, Vice-President J. M. Elliott, of Los Angeles, presided, and responded to the address of welcome by Mayor James D. Phelan.

President Valentine's annual address was read by Secretary R. M. Welch. A review of the McCleary currency bill was the leading feature of the address, and the adoption of that measure was strongly urged, the address concluding as follows:

"The monetary standard—the standard of value—of this country, and of the commercial world, is gold, and the experience of the United States in the past two years has fully vindicated the gold standard.

In the war just closed our army and navy displayed invincible prowess and set an example of intrepidity, chivalrous magnanimity, fortitude, patience and compassionate forbearance that is the admiration of mankind. Let the commercial and financial interests of the United States no less fearlessly and considerately press forward in the path of right and duty, undeterred by the clamor of illusion, prejudice and misconception, toward the attainment of a monetary system that shall command—what our country in other particulars enjoys—the respect and confidence of the world."

Secretary Welch reported that the membership of the association still remained at 150. The total number of banks and recognized banking firms in California is 288, as follows: National banks, 36; Savings banks, 59; private banking firms, 19; other commercial banks, 174. Of these 27 National banks, 85 State commercial banks, 31 Savings banks and 7 private banking firms belong to the association. Of the remaining 135 banks 90 have a capital stock of less than $100,000, showing that few large institutions fail to appreciate the advantages of membership.

The treasurer's report showed that the receipts for the year from dues amounted to $1,565, and the expenditures to $1,105.54.

The executive council reported that an effort was being made to secure legislation exempting State, municipal and school district bonds from taxation, and also that the Negotiable Instruments Law will be recommended for passage at the next session of the Legislature.

Frank Miller, President of the National Bank of D. O. Mills & Co., Sacramento, spoke on "Currency Reform and Reorganization of the National Banking System," criticizing some of the details of the McCleary currency bill.

An able presentation of the principal features of the currency reform bill now pending in Congress was made by Hon. F. G. Newlands, a member of the House Banking and Currency Committee.

At the second day's session the matter of exempting municipal securities from taxation was discussed. Lovell White, Cashier of the San Francisco Savings Union, thus summarized the objections to the taxation of such securities:

"The attempted taxation of public securities has for some of its effects: Enhancing by one per cent. or more the rate of interest necessary to be paid on county and municipal bonds over and above everything recovered in the form of taxes; the enhanced rate of interest is paid by the poorer counties and school districts whose necessities compel them to borrow, while the small amount recovered in taxes goes into the treasury of one or two of the largest cities. It makes the State and its political subdivisions tributary to foreign creditors, involving a loss from circulation semi-annually of several hundred thousand dollars; it impairs the credit not only of the State and its subordinate municipalities, but of its merchants and manufacturers by giving the impression that it is a debtor State and that its people are necessarily impoverished; it gives a preference to non-residents over its own citizens; it impairs reverence for the law by maintaining on the book of States one easily evaded; it weakens the conception of the sanctity of an oath and lowers the standard of public morality by inviting the crime of false swearing."

A number of other bankers spoke in favor of repealing the taxes on such securities.

James A. Thompson, Cashier of the Donohoe-Kelly Banking Co., San Francisco, spoke in favor of the uniform law in regard to negotiable instruments.

Officers were chosen as follows:

President—John J. Valentine, President Wells, Fargo & Co.'s Bank, San Francisco.

Vice-President—J. M. Elliott, President First National Bank, Los Angeles.

Treasurer—G. W. Kline, Cashier Crocker-Woolworth National Bank, San Francisco.

Secretary—J. M. Welsh, President San Joaquin Valley Bank, Stockton.

Members Executive Council—J. E. Baker, Cashier Bank of Alameda; Frank Miller, President National Bank of D. O. Mills & Co., Sacramento; T. S. Hawkins, President Bank of Hollister.

The following resolution was adopted:

"*Resolved*, That the bankers of California believe that the gold standard is the only proper and sole possible permanent standard of value, and that any departure therefrom is prejudicial to all persons, rich and poor alike, who seek to live by honest efforts."

OHIO BANKERS' ASSOCIATION.

The Ohio Bankers' Association met at Akron, September 27, it being the eighth annual convention of the organization. G. P. Griffith, Cashier of the Citizens' National Bank, Cincinnati, presided. Mayor W. E. Young, of Akron, made the address of welcome, and J. J. Sullivan, Cashier of the Central National Bank, Cleveland, responded on behalf of the bankers.

President Griffith's annual address was devoted principally to a review of the currency bill now pending in Congress. He criticized some of the details of the bill. The National banking system had provided notes of great security, circulating at par all over the country, and he thought that great care should be exercised in changing the present law. He favored the organization of banks with $25,000 minimum capital in the smaller towns, recommended the adoption of the Negotiable Instruments Law in Ohio, and the creation of a State Banking Department.

Chas. A. Hinsch, President of the Fifth National Bank, Cincinnati, presented a valuable paper on "Our South American Trade and How to Improve It." He thought that special attention should be paid to developing our steamship lines, and also advocated an international bank.

A visit to the Diamond Match Works and other industrial concerns, and a lunch at Barberton Inn, were features of the first day's meeting.

At the evening session Wm. D. Park made an address on the new bankruptcy law, dealing especially with the subject of preferences in assignments. He pointed out some of the changes made by the law, and suggested the advisability of the banks of the State adopting a uniform property statement blank to be filled out by their customers. This view was supported by a number of members in the discussion which followed the address.

A motion was passed providing for the appointment of a committee to draft a State banking bill to be submitted to the next meeting of the association.

At the second day's session, after hearing reports from several Congress districts, Geo. Guckenberger, President of the Atlas National Bank, Cincinnati, spoke on "Practical Methods of Banking."

J. T. Brooks, President of the Farmers' National Bank, of Salem, made an eloquent address. Later Mr. Brooks, in behalf of the association, presented President Griffith with a fine buckeye gavel, which the President received with fitting words.

The following resolution was adopted :

Resolved, That the executive council be and is hereby instructed to confer with the Executive Council of the American Bankers' Association, and the various State bankers' associations, to bring about a modification of the law of bankruptcy, as follows: "That security taken for money loaned, whether taken at the time of the loan. or thereafter, or at renewal, or extension, ought not to be taken as preference."

Other resolutions were adopted as follows:

Resolved, By the bankers of Ohio in their annual convention assembled, that we again declare our adherence to the doctrine of sound money, and we believe in the maintenance of a dollar as standard of value that shall be accepted as such in the commerce of the world.

Resolved, That the war tax imposed upon the banks has made the tax on the circulation of the National banks an increased and unjust burden, and that Congress should reduce the tax on circulation to such a point that the income therefrom shall pay the expenses of maintaining the National banking system and no more.

Resolved, That the soldiers and sailors who took part in the late war with Spain have our highest commendation for their patriotism, bravery and endurance of suffering. That we congratulate business men upon the speedy termination of the war. That we trust that the same forbearance and wisdom will he shown by the Administration in the final settlement of the terms of peace.

Resolved, That we heartily indorse the management of the national finances under Secretary Gage.

Resolved, That we favor a speedy and judicious reform of our currency system.

These officers were chosen :

President—W. A. Graham, Cashier Citizens' Bank, Sidney.

Vice-President—J. J. Sullivan, Cashier Central National Bank, Cleveland.

Secretary—S. B. Rankin, Cashier Bank of South Charleston.

Treasurer—H. C. Herbig, Cashier Commercial Banking Co., Coshocton.

Members Executive Council—E. R. Sharp, Cashier State Savings Bank and Trust Co., Columbus; I. E. Knisely, President Northern National Bank, Toledo; D. P. Wheeler, Cashier Citizens' National Bank, Akron; Geo. H. Bohrer, President German National Bank, Cincinnati.

In the evening of the closing day's session a banquet was served at the Hotel Buchtel.

Next year's convention will be held at Columbus.

A Burglar-Resisting Safe.—The Hubbard & Rodman Safe Company, makers of the Manganese Steel Safe, have opened offices at 253 Broadway, New York city, in order to bring the merits of this new metal before banks and other financial institutions, and to show its superiority as a material for making safes that will offer the greatest resistance to burglars.

Captain Rodman is an engineer of note and is an expert in high explosives and their application to safe-breaking.

A complete description of this revolution in both the manufacture of a proper kind of steel for safes and in the construction of safes and safe doors suitable for the adequate protection of money and valuables of all kinds, is reserved for a later number of the MAGAZINE, when it is expected full letter-press and pictorial descriptions will be presented.

To combat the daring and ingenuity of the bank burglar requires a high degree of skill. When the complete description of the above safe is made public, it is believed that it will be shown that considerable progress has been made in the making of one of the most important mechanical equipments of a well-appointed banking house.

RESOURCES OF MISSOURI.

[Address of J. P. Huston, of Marshall, Mo., before the Twenty-fourth Annual Convention of the American Bankers' Association, recently held at Denver, Colo.]

"Missouri has a population of three and one-quarter million people—mostly colonels. She was admitted into the Union in 1821, and has remained in it ever since, reports to the contrary notwithstanding. She entered the Union as the twenty-fourth State, but now ranks fifth in population and eighth in wealth. The State is well supplied with banking facilities. It has 640 banks, having a combined capital and surplus of $50,000,000, and deposits aggregating $147,000,000. The State banks and private banks are under the supervision of the State Banking Department, and are subject to rigid examination. Our Banking Department was established in 1895. The need for it is shown by the fact that sixty-five banks have been closed by the Department, or have gone into voluntary liquidation, during the three years of its operation. The dead wood has now been cleared away, however, and the banks of Missouri are in first-class condition.

The bonded debt of the State is $4,000,000 only, and will be liquidated in full within five years. Of the 114 counties in the State, seventy-one have no bonded indebtedness, and the county and township indebtedness of the remaining counties is less than $10,000,000. The valuation of taxable property is over one billion of dollars. Its real value is fully three billions of dollars. We have wealth enough to have paid the entire national debt in 1865, or at the close of the Civil War. Missouri State bonds are so scarce that they are not often found on the market. No better investment is offered, however, than Missouri county, township, municipal or school bonds. These securities now net nearly four per cent. interest to investors, and form an absolutely safe sinking fund for surplus money.

Home money is being loaned on choice farming lands in Missouri at six per cent. interest, and on choice property in the city of St. Louis at five per cent. interest. No real estate security anywhere can be safer. The banks are lending money at four to seven per cent. in St. Louis and seven to eight per cent. in the country. Most of the banks now have idle funds, but prospects are good for fall business.

Missouri enjoys the unique distinction of having more neighbors than any other State in the Union, and she is on good terms with all of them. She joins Kansas, Nebraska and the Indian Territory on the West, Iowa on the North, Illinois, Kentucky and Tennessee on the East, and Arkansas on the South. Five of these States produce more than fifty per cent. of the corn crop of the Union. They are Kansas, Nebraska, Iowa, Illinois and our own Missouri. The corn crop of Missouri in 1897 was worth on the farm, according to Government estimates, over $41,000,000, being second in value in the United States, and this in spite of the fact that the yield was less than normal. Only a small part of this enormous crop is exported. The greater part is fed to live stock, principally cattle and hogs. Blue grass, timothy and clover flourish in Missouri as readily as do sugar cane and tobacco in Cuba. We raise so much grass and corn that we sometimes have to scour the earth to get cattle to consume our products. The banks find employment for a good portion of their funds in furnishing money to purchase live stock to be fattened for market. The banks of Missouri to-day have probably $50,000,000 invested in cattle paper, and they always find it prompt and satisfactory. We raised about 14,000,000 bushels of wheat last year, and ship large quantities of flour from our mills to the South and Southwest. Our oat crop was a mere bagatelle, being worth a little over $4,000,000, but it was of sufficient value to have paid our State debt. Missouri leads in the production of mules and poultry. She stands first in the production of zinc and second in the production of lead. She has a wealth of valuable timber, as yet almost untouched, and enormous coal fields, which are practically only beginning to be developed. Our three large cities, St. Louis, Kansas City and St. Joseph, are all in thriving condition. New buildings are going up on every hand; the architecture is modern, and considerably more money is being spent on streets and parks than ever before. The manufacturing interests are thriving, and strikes are almost unknown. St. Louis produces more shoes than any other city and is the largest mule market in the world, with Kansas City a close second. Kansas City's live-stock interests are gaining steadily, and by virtue of her location she will in time be the leading stock market of the world.

We have no land-locked harbors; we have no snow-clad mountain peaks; we have, however, all the necessary conditions for the best development of Anglo-Saxon thrift and enterprise. We have a mild and equable climate, in which the air of winter invigorates, but does not debilitate, and the heat of summer is not sufficiently prolonged to abate the energy of our people. With an equable climate and kindly soil, no other State furnishes a greater variety of occupation or diversity of employment. The low lands in the southeast part of our State produce an excellent variety of cotton, the high and more rolling lands in the southwest are the natural home of small fruits and the 'big red apple,' while the hills are full of lead and zinc. The Platt Purchase in the northwest contains a body of rich alluvial soil, of unsurpassed fertility, which is justly celebrated for its enormous yields of corn.

The public schools are liberally provided for. We spend annually nearly $7,000,000 on our public schools, and have to-day the largest available permanent public school fund in the Union.

But our internal resources should not be our greatest pride: Nor is it so! Rather do we glory in a citizenship of brave and loyal men and women. * * *

I have in my mind one bright Missourian, who being born to wealth and social distinction, had every temptation to lead a life of luxury and ease. But a higher and nobler ambition spurred him on even in his college days, and his heart leaped within him to be in among the haunts of men; his dreams were of the steamship, the railway, and all the thoughts that shake mankind. He left Cornell University for New York city in pursuit of fame and fortune. His early work was as a reporter upon the 'Sun.' He was rapidly promoted and was later a recognized leader in various reform movements. As the Democratic nominee for Mayor of Brooklyn, he made a memorable race against Seth Low. He became President of the Board of Education in the City of Brooklyn, member of the fifty-third Congress, President of a Trust Company in Brooklyn, and later the President of a large and influential National bank in New York city. The broad-minded intelligence of the man receiving a merited compliment by his selection as one of the Trustees of Cornell University. He has now achieved fresh laurels for himself, and does this association great honor as its present presiding officer, Mr. Joseph C. Hendrix, of New York.

Mr. Chairman, I hail you with the greetings of the witches in Macbeth, 'Thane of Glamis thou art, and of Cawdor; greater thou shalt be.'"

Failures, Suspensions and Liquidations.

Alabama.—The Bank of Anniston made an assignment on September 27. Deposits were about $37,000. Assets are $6,000 in cash, $75,000 in loans, and real estate of a cost value of $35,000. Bad loans, made several years ago when the bank was under different management, are said to have caused the failure.

—On September 15 the Jasper Trust Co., of Jasper, assigned to the Cashier, J. A. Gravlee. The stock of the bank was largely owned by the Jasper Town and Land Co., which went into the hands of a Receiver just before the suspension of the bank. Liabilities of the bank are $65,000.

Indiana.—The State National Bank, of Logansport, which went into voluntary liquidation over a year ago, has been found insolvent, and has been placed in the hands of Joseph W. Selden, Receiver.

Iowa.—The State Bank, of Manning, recently filed notice with the Secretary of State that the corporation had been dissolved.

Kansas.—The Rossville State Bank went into voluntary liquidation September 7, paying all its depositors.

Michigan.—D. F. Parsons, doing a banking business at Burr Oak, assigned to A. C. Hilbaugh, September 13. It is estimated that the local deposits are from $75,000 to $100,000. When the bank was closed but $200 was on hand. Unfortunate real estate speculations are reported to have caused the failure.

Minnesota.—The Security Bank, of Morton, has sold its assets to the Bank of Morton, and has gone out of business.

New York.—NEW YORK CITY.—On September 26 the New England Loan and Trust Co., an Iowa corporation, was placed in the hands of Otto Bannard, Receiver. The liabilities of the company are $6,386,412, which includes $5,039,486 debentures outstanding. A considerable amount of principal and interest of these debentures falls due from now until January 1, and the inability to meet these and other payments caused the failure. The company also sustained losses on real estate which it had been compelled to take over on account of loans on city property during the boom period. The assets include loans on real estate, $5,755,190, and real estate held, $311,466.

D. O. Eshbaugh, President of the company, committed suicide about the time of the failure.

The Tradesmen's National Bank, doing business in the Wool Exchange Building, was closed by a bank examiner, on October 4, a committee of the clearing-house having made an examination of the bank and recommended that it be placed in liquidation.

The capital of the bank is $750,000, and surplus and profits, $128,000. Deposits were about $3,000,000. One report states that the surplus has been wiped out, and that the capital is impaired to the extent of $250,000 or more. It is said the embarrassment is due to large loans made to the Wool Warehouse Company.

The President of the bank asserts that depositors will be paid in full, and that stockholders will realize at least ninety per cent.

Virginia.—The Alleghany Bank, of Clifton Forge, closed on September 26. Deposit liabilities are about $50,000, of which, it is said, sixty per cent. may be paid. It is reported that $20,000 of the bank's paper is worthless.

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 annual meeting of the New York Clearing-House Association was held at the clearing-house October 4.

James T. Woodward, President of the Hanover National Bank, was elected President of the association to succeed J. Edward Simmons, President of the Fourth National Bank, who was not eligible for re-election under the rules. Francis L. Hine, Cashier of the First National Bank, was elected Secretary. Manager William Sherer and Assistant Manager William J. Gilpin were continued in office.

The retiring President, J. Edward Simmons, spoke of the growth and prosperity of the association and praised the selection of his successor. He said:

"The time has come for me to lay down this gavel, which is the symbol of my official authority. In handing it to my successor I share the gratification of all in knowing that he is a gentleman of the very highest character. He is an old member of the association, has rendered valuable services on all of its important committees, and his views on finance are as conservative as they are sound. He has demonstrated his capacity for leadership by a long and successful management of one of the strongest and best banks in the United States."

President Woodward replied briefly and happily.

On motion of President George G. Williams, of the Chemical National Bank, resolutions were passed tendering the thanks of the association to Mr. Simmons for his devotion to its interests.

The following committees were appointed:

Clearing-House—William A. Nash, Chairman; George G. Williams, James Stillman, Edward H. Perkins, Jr., Edward E. Poor.

Conference—Alexander Gilbert, Chairman; Horace E. Garth, Oliver S. Carter, Scott Foster, H. B. Brundrett.

Nominating—Richard L. Edwards, Chairman; Alexander H. Stevens, Henry C. Tinker, James M. Donald, Charles H. Fancher.

Admissions—Frederick B. Schenck, Chairman; Edward Townsend, Stuart G. Nelson, William H. Gelshenen, A. S. Frissell.

Arbitration—Edwin Langdon, Chairman; Theodore Rogers, Dumont Clarke, Stephen Baker, George M. Hard.

Manager Sherer's report was approved and accepted. Some of its items were:

Transactions of the fiscal year—Exchanges, $39,853,413,947; balances, $2,338,529,016; total, $42,191,942,964. Average daily transactions—Exchanges, $131,529,418; balances, $7,717,917; total, $139,247,336. Total transactions since organization of clearing-house, in 1853—Exchanges, $1,174,055,187,727; balances, $55,554,373,735; total, $1,229,609,561,463.

The largest exchanges on any one day of the year were $230,731,264 on January 4, 1898; the largest balances, $17,009,341, July 2, 1898, and the largest transactions, $247,280,252, January 4, 1898.

—Charles E. Bigelow, formerly Vice-President of the Gansevoort Bank, has been elected President, to succeed Charles H. Paul, resigned. Mr. Bigelow was President of the George F. Blake Manufacturing Co., manufacturers of steam pumps, and had been associated with this firm for thirty-two years.

—A matter of interest in financial circles is the change to take place in the well-known banking firm of Speyer & Co. Mr. William Salomon, for many years head of the house, and whose connection with it covers a period of upward of thirty years, retires from the firm on December 31 next.

—At this time of the year many young men who are engaged in banks and other business houses in the daytime are making their plans to study in evening schools. These are the young men who think, and think to a purpose, and are advanced in business by reason of their increased value to their employers. The Young Men's Christian Association of this city conducts evening classes in commercial, scientific and language courses. At the West Side Branch of the Association, 318 West 57th Street, the opening exercises of the Educational

Classes were held in the Auditorium on Monday evening, October 3. Rev. J. M. Buckley, D.D., Editor of the "New York Christian Advocate," made the address of the evening, and music was furnished by the Orpheus Mandolin and Guitar Club, and Mr. J. Armour Galloway. The West Side Branch of the association is the most modern and best equipped building for association work in this country. Further information may be obtained of the Secretary, Dr. D. E. Yarnell, 318 West 57th Street, New York.

—The fourth annual meeting of the New York Credit Men's Association was held at the rooms of the organization, 320 Broadway, September 15. Since 1895 the membership has increased from sixty-five to 424. This association is doing good work in raising the standard of mercantile credits—a matter of vital interest to bankers.

—It is reported that four Brooklyn banks may consolidate.

—On October 7 Daniel B. Halstead resigned as President of the New York National Exchange Bank and was succeeded by James Rowland. The new President is in the produce business, is President of the Mercantile Exchange, and a director of the Clinton Bank. At the same meeting W. H. Albro, H. A. Blyth and John Guth resigned as directors, and James M. Donald, Vice-President of the Hanover National Bank, Hudson Hoagland and Robert H. McCutcheon were elected to succeed them. Mr. Halstead, the former President, will remain a director.

NEW ENGLAND STATES.

Boston.—Otis Kimball and Albert L. Brown have purchased an interest in the Continental National Bank and will enter the directory.

—For some time it has been known that the Savings banks of Massachusetts, which are holders of large amounts of Boston National bank stock, were dissatisfied with the returns on their investments. A committee representing the Savings banks has put forward a proposition to consolidate nine of the National banks into one institution with a capital of from $3,000,000 to $5,000,000.

The banks included in the proposition are the Boston, Columbian, Hamilton, Howard, North, Market, National Eagle, National Bank of North America and National Reserve, with an aggregate capital and surplus of $8,500,000. It is not at all certain that the scheme will be consummated, as it is vigorously opposed by some of the banks.

Boston has more National banks than New York, and the capital of these institutions in the two cities is about the same.

—The dinner of the National Bank Cashiers' Association was given at Young's September 21, thirty-one members being present.

A Bank's Semi-Centennial.—On September 29 the Augusta (Me.) Savings Bank completed the fifty-ninth year of its existence, and the event was observed with a banquet given by Hon. Joseph H. Manley, the President, at the Augusta House.

Among the guests present were Gov. Llewellyn Powers, State Bank Examiner Fremont E. Timberlake, ex-Senator Bradbury, and other prominent citizens.

Will Try to Reorganize.—It seems probable that a determined effort will be made to reorganize the Hampshire County National Bank at Northampton, Mass., and to resume business. The Receiver believes that from $50,000 to $60,000 will be saved to the stockholders and that the latter will be willing to increase this by subscription to $100,000, furnishing a sufficient capital to carry on the business.

MIDDLE STATES.

Pittsburg.—The German National Bank has reduced its surplus from $500,000 to $250,000, setting aside the reduction to meet a possible loss in some paper held by the bank. Otto C. Burgdorf has resigned as Cashier.

—The September number of the "Pittsburg Banker" contains a large amount of valuable information about the banks of this city.

Since May, 1897, the State banks and trust companies have increased their capital $362,000 and have added $386,000 to surplus and $188,000 to undivided profits. In the same time their total resources have gained $3,696,239, and now amount to a total of $57,834,112.

Appointed Bank Examiner.—Robert J. Whitehead, of Easton, Pa., has been appointed a National bank examiner.

Pennsylvania Banker Robbed.—On October 1 D. Lawrence Greenwood, of the National Bank of Coatesville, Pa., was robbed by a sneak thief of $10,000 worth of bonds. Mr. Greenwood left Coatesville with $22,500 in cash, which he carried in a small leather hand-bag, his destination being Philadelphia. It is supposed that the thief was aware that he had a large sum of money and followed him to Philadelphia on the train. As soon as the banker arrived at Philadelphia he deposited the cash in the Fourth Street National Bank.

Mr. Greenwood secured $10,000 worth of bonds later at a broker's office and put them in the satchel. While taking lunch with friends in a restaurant, the bag containing the bonds was taken from under his feet and another stuffed with paper substituted in its place. The robbery was not discovered until an hour later, when the banker opened the bag.

New Cashier Chosen.—Edward C. Riley was recently elected Cashier of the People's National Bank, Sandy Hill, N. Y., succeeding Lincoln Paris, deceased. Mr. Riley is twenty-eight years of age, and is a native of Sandy Hill. He received his education at that place and at Cornell University. At the age of sixteen he entered the bank, and was promoted to teller, which position he filled acceptably for eight years. Mr. Riley has been noted for his fidelity to duty and for his courtesy. His promotion will be approved by the stockholders and patrons of the bank.

Trust Company Loan Restrictions.—In response to an inquiry of State Superintendent of Banks Frederick Kilburn, Attorney-General Hancock (New York) has written an opinion in which he holds that trust companies cannot lawfully make loans to firms or corporations of which directors are members or in which they are financially interested.

Buffalo, N. Y.—D. Ralph Clark, Cashier of the Ellicott Square Bank, has been elected manager, succeeding Walter G. Robbins, who resigned to engage in other business.

—Henry Weill has resigned as President of the Metropolitan Bank and has been succeeded by Charles Groben, formerly Vice-President. Mr. Groben is succeeded by E. A. Willets as Vice-President.

New National Bank Opened.—Local business men, assisted by Baltimore capitalists, have organized the Lewes National Bank at Lewes, Del.

Another new bank—the Sussex Trust, Title and Safe Deposit Co.—is also reported at this place.

New Private Bank.—E. S. Johnson, President of the Citizens' National Bank, Washington, D. C., and Wm, E. Johnson, of Dorchester county, Md., will establish a private bank at East Newmarket, Md.

New York Bankers Meet.—Group VI of the New York State Bankers' Association met at the Hotel Wawonda, Liberty, N. Y., September 24. Charles F. Van Inwegen, President of the First National Bank, Port Jervis, was elected president of the group; and Frank Barber, Cashier of the Sullivan County National Bank, Liberty, was chosen secretary.

—Group VII of the New York State Bankers' Association, by invitation of the directors of the Patchogue Bank, met at Patchogue, N. Y., September 10. After the business meeting the bankers went on an excursion to Point o' Woods, where dinner was served.

Philadelphia.—Group II of the Pennsylvania State Bankers' Association held its semi-annual meeting at the Bourse September 29. The meeting was well attended and was presided over by John H. Maltzberger, of the Keystone National Bank, of Reading, with Wallace Guss, of the First National Bank, of Tamaqua, as secretary.

—J. P. Mumford, Cashier of the National Bank of the Republic (in liquidation), has sent out the following circular letter to the stockholders:

"PHILADELPHIA, September 2, 1898.

The directors take pleasure in announcing that the liquidation of the affairs of the bank has so far progressed that all liabilities other than those of shareholders have been discharged on demand, and that the fund in hand warrants a distribution of capital at this time of $25 per share, which will be paid to stockholders or their legal representatives on and after September 9, upon the presentation of the certificates of stock at this office. The remaining assets, including real estate, while necessarily somewhat slower, will be converted as cheaply and speedily as possible, and stockholders may look, within a reasonable time, for further substantial distributions."

Private Watchmen for Banks.—It may be well for New York banks employing private watchmen or private detectives to bear in mind that those acting in such capacities must procure a license from the State Comptroller.

SOUTHERN STATES.

Nashville, Tenn.—Stockholders of the Fourth National Bank have ratified the action of the directors in reducing the capital of the bank from $1,000,000 to $600,000. The forty per cent. of stock surrendered will be paid for at the rate of 120 per share.

New Branch Bank.—A branch of the Lynchburg, Va., Trust and Safe Deposit Co. has been established at Clifton Forge, Va.

New Savings Bank.—A new Savings bank is being organized at Obion, Tenn.

Bank Consolidation.—It is reported that Percy T. Whilden & Co., Bessemer, Ala., have consolidated their business with the Bank of Commerce, of which Mr. Whilden becomes President.

Dublin, Ga.—It is announced that the new bank, the Laurens Banking Co., is ready for business, with $25,000 capital.

Bank Incorporated.—The State Banking and Trust Company is a new institution recently incorporated at Hattiesburg, Miss., with $100,000 capital stock.

Clarksville, Tenn.—It is rumored that a new bank will begin business here about the middle of November.

Has a Good Name.—The Bank of England has been organized at England, Ark., with $10,000 capital. J. D. Cobb is President.

New Banks in Texas.—E. T. Elkin & Co. will open a bank at Roby, Texas.

—C. E. Stafford & Co. will establish a new bank at San Antonio, Texas.

New Bank in Alabama.—A new bank, to be called the Ensley Bank, is reported at Ensley, Ala.

New Banks in Georgia.—The Union Banking Co. has been organized at Douglas, Ga., with $30,000 capital.

—The Bank of Rutledge, Ga., was recently organized with $25,000 capital. Its Atlanta correspondent is the Lowry Banking Co.

WESTERN STATES.

The Kansas Banks.—Good reports continue to come from the State and private banks of Kansas under the supervision of Bank Commissioner Breidenthal. In the past year they have increased their deposits by about $5,000,000, have added $2,666,000 to cash and sight exchange, and have reduced the real estate account from $1,963,000 to $1,243,000, and the furniture and fixtures account from $323,200 to $220,400. The total resources of the State banks are $25,881,700, and the private banks $5,128,500.

The Kansas banking law requires all banks to carry ten per cent. of their net earnings to surplus account until the surplus equals fifty per cent. of their capital. Quite a number of banks carry a much larger sum to this account than the law requires.

Denver, Colo.—The Union Stock Yards Bank is a prospective institution with $30,000 paid-in capital and $100,000 authorized, and will start with $3,000 surplus. David H. Moffat, President of the First National, will be President of the new bank. Samuel G. Gill will be Vice-President and the active manager. Mr. Gill was for twenty years President of the First National Bank, of Gunnison.

Cripple Creek's Gold Output.—Cripple Creek's September gold output exceeds $1,477,000, and is the biggest recorded. It is reported that since the bankers' convention at Denver investments in Colorado mining stocks have greatly increased.

New Banks in the West.—Rudolph Payne and others have organized the Bank of Merrill, Iowa.

—The Abilene (Kans.) State Bank was recently opened by J. J. Squier and others, with $25,000 capital.

—On September 28 the Delray (Mich.) Savings Bank was organized with $25,000 capital stock.

—The People's State Bank, McPherson, Kans., was incorporated September 26; capital, $25,000.

—Stockville, Neb., has a new bank—the Merchants' State—with $5,000 paid-in capital.

—The Commercial and Savings Bank has been organized at Fenton, Mich., to succeed H. B. Latourette, who will be President of the new bank.

—Authority to begin business has been given to the Mankato (Minn.) State Bank; capital, $50,000.

—On September 3 the German-American Bank opened at De Soto, Mo., with $15,000 capital.

—The Bank of Sheldon, Mo., has been incorporated with $10,000 capital.

—Paul M. Pierce has chartered the Wilsonville Bank at Wilsonville, Neb.

—The Sparta (Mich.) State Bank was incorporated on September 7 with $15,000 capital.

A Prospective Bank.—A movement is under way to organize a new bank at Alger, Ohio.

Columbus, Ohio.—A meeting of the stockholders of the new City Deposit Bank was held on September 3 and directors and officers were elected. The capital stock of the bank is $50,000.

Kansas City, Mo.—On September 8 the New England National Bank opened for business with $200,000 capital and $50,000 surplus. It is the successor to the New England Safe Deposit and Trust Co., and its officers are well-known and experienced bank men.

Banks Reduce Capital.—The Bank of Adairville, Ky., has reduced its capital from $25,000 to $15,000.

The Farmers and Drovers' Bank, of Eminence, Ky., will reduce its capital from $53,000 to $25,000.

These reductions are doubtless due to heavy taxes.

New Bank in Kentucky.—A new bank has been organized at Worthville, Ky., with $15,000 capital. W. S. Golden is President.

Topeka, Kans.—The new State Savings Bank, which opened for business on September 1, will have a capital of $25,000. In other respects it will resemble the Savings banks of the Eastern and Middle States, and will not do a commercial banking business.

Wichita, Kans.—The business of the Sedgwick County Bank was recently consolidated with the Kansas National Bank. C. H. Pool, who was Cashier of the first-named bank, becomes Vice-President of the Kansas National, succeeding C. H. Davidson, who retires from the banking business.

New Banks in Indiana.—It is reported that an organization of business men is being formed to put up a bank building and start a new bank at Elwood, Ind.

—M. C. McCormick is reported to be interested in a new bank at Tell City, Ind.

New State Bank.—The Jackson State Bank was recently organized at Carbondale, Ill., with $25,000 paid-up capital.

Chicago.—On September 28 Hon. James H. Eckels, former Comptroller of the Currency, and now President of the Commercial National Bank, of this city, delivered an interesting address before the "Fire Insurance Underwriters Association." In the course of his address he said:

"No corporation of a public character, controlling large interests and affecting in its operations many avenues of trade and commerce, will object to supervision intelligently made by competent, skilled and honest officials. By such officials a bank, an insurance company or a railway corporation can not be too often or too rigidly examined and its affairs analyzed. The point of unfairness and injustice comes when these interests are subject to the visitation and the inquisitorial powers of public officials, clothed with official authority and lacking in requisite skill, knowledge of the business in hand and sufficient experience to make their acts of benefit instead of harm."

—The business of the Commercial Loan and Trust Co. has been absorbed by the Royal Trust Co.

—The Municipal Investment Co. is going out of business, and the President and Vice-President will go into the bond business on their individual accounts.

PACIFIC SLOPE.

Newcastle, Wyo.—The Bank of Newcastle, Wyoming, has increased its paid-up capital from $10,000 to $20,000. In the past year the deposits of the bank have doubled, and it is regularly paying ten per cent. annual dividends. The general business outlook in this part of the State is reported to be very good.

New Bank in Wyoming.—The Platte Valley Bank is a new institution at Saratoga, Wyo.; capital, $10,000.

Oregon Banking Items.—The Bank of Huntington, Oregon, was recently incorporated with $25,000 capital.

—The Bank of Lakeview, Oregon, it is reported, has succeeded to the business of the Lakeview Bank, and the capital increased to $150,000.

Los Angeles, Cal.—The name of the East Side Bank has been changed to Bank of Commerce.

CANADA.

New Branches Opened.—A branch of the Ontario Bank has been opened at Fort William, Ontario.

—The Merchants' Bank of Canada has opened a branch at Mildmay, Ontario, with W. E. Butler as Manager.

—Crystal City, Man., has a new branch of the Union Bank of Canada. The same bank has also established branches at Killarney, and at Carleton Place, Ontario.

—A branch of the Union Bank of Halifax was recently located at Wolfville, N. S., in charge of W. C. Harvey.

—The Merchants' Bank of Halifax reports an additional branch at Ymir, B. C.

Molsons Bank Robbed.—The Winnipeg, Man., branch of the Molsons Bank was recently robbed of $62,000. The money was in the Treasury or reserve department of the vault, where cash not needed for immediate use is kept, and in addition to the combination locks on the vault, the safe was secured by two combinations on the compartments said to be known only to four men.

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.

5137—Merchants' National Bank, Elmira, New York. Capital, $100,000.
5138—New England National Bank, Kansas City, Missouri. Capital, $200,000.
5139—Medina County National Bank, Medina, Ohio. Capital, $50,000.
5140—First National Bank, Eldora, Iowa. Capital, $50,000.
5141—Herkimer National Bank, Herkimer, New York. Capital, $75,000.
5142—First National Bank, McKees Rocks, Pennsylvania. Capital, $50,000.
5143—First National Bank, Antigo, Wisconsin. Capital, $50,000.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

Lewes National Bank, Lewes, Del.; by John F. Sippel, *et al.*
First National Bank, Buffalo Center, Iowa; by A. W. Winden, *et al.*
Brockwayville National Bank, Brockwayville, Pa.; by C. H. Marshall, *et al.*
First National Bank, Milford, Ill.; by John L. Donovan, *et al.*

NEW BANKS, BANKERS, ETC.

ALABAMA.

CULLMAN—Bank of Cullman; Cas. Charles O. Adkins.

ENSLEY—Ensley Bank; organizing.

CALIFORNIA.

SAN FRANCISCO—Sather Banking Company; organizing.

COLORADO.

DENVER—Union Stock Yards Bank; capital, $100,000; Pres., David H. Moffat; Vice-Pres., Samuel G. Gill; Cas., W. G. Fine.

GEORGIA.

DOUGLAS—Union Banking Company; capital, $30,000; Pres., J. J. Lewis; Vice-Pres., B. Peterson.

RUTLEDGE — Bank of Rutledge; capital, $25,000.

ILLINOIS.

CARBONDALE—Jackson State Bank; capital, $25,000; Pres., S. W. Dunaway; Vice-Pres., W. W. Clemens; Cas., Frank T. Joyner.

CHICAGO—Citizens' Loan and Trust Co.; capital, $250,000.

JACKSONVILLE—F. G. Farrell & Co. (successors to First National Bank).

LUDLOW—Bank of Ludlow; Pres., H. W. McClure; Vice-Pres., J. A. Taylor; Cas., W. J. Stone.

MASON CITY—People's Bank (successor to First National Bank); Otho S. King, Proprietor.

REYNOLDS—R. P. Wait & Co.

SPRINGERTON—T. S. Barnes, Banker.

STAUNTON—Wall Brothers (successors to Wall & Panhorst).

THOMASBORO—Grain Belt Bank; Pres., H. W. McClure; Vice-Pres., Geo. L. McClure; Cas., Fred. Scott.

INDIANA.

CULVER—Exchange Bank; capital, $10,000; Cas., M. C. McCormick.

UPLAND—Grant County Bank; capital, $5,000; Pres., S. B. Cole; Cas., Charles W. Cole; Asst. Cas., Geo. D. Cole.

INDIAN TERRITORY.

SAPULPA—Sapulpa Banking Co.; organizing.

IOWA.

CHURDAN—Farmers and Merchants' Bank; capital, $10,000; Cas., E. M. Pentz.

DELTA—Savings Bank of Delta.

ELDORA—First National Bank (successor to City State Bank); capital, $50,000; Pres., J. H. Bales; Cas., W. J. Murray.

GRAND JUNCTION—Citizens' Bank; Pres., Albert Head; Cas., T. R. Watts.

NEW SHARON—Citizens' Bank; Pres., A. Smith; Vice-Pres., Thomas Sherman; Cas., L. H. Sherman.

RIDGEWAY—Bank of Ridgeway (G. R. Baker); capital, $5,000.

UTE—Security Bank (successor to Palmer & Torrison); capital, $10,000; Asst. Cas., H. A. Tinker.

KANSAS.

ABILENE—Abilene State Bank; capital, $25,000; Pres., J. J. Squier; Cas., C. N. Prouty.

ERIE—Allen State Bank; capital, $12,000; Pres., G. M. Coffman; Vice-Pres., James Lemon; Cas., W. F. Allen.

McPherson—People's State Bank: capital, $25,000.

KENTUCKY.

Irvington—E. H. Shelman & Co.; capital, $15,000; Pres. and Cas., E. H. Shelman; Asst. Cas., R. E. Hawes.

Wingo—Bank of Wingo; capital, $15,000; Pres., P. W. McKeel; Cas., I. M. Braun.

Worthville—Worthville Deposit Bank; capital, $15,000; Pres., W. S. Golden; Cas., Geo. C. Hall, Jr.

LOUISIANA.

Rosedale—Valley Bank; capital, $250,000.

MICHIGAN.

Burr Oak—Sheffield Banking Co. (successor to D. F. Parsons); Cas., Adelbert C. Himebaugh.

Columbianville—William Peter.

Delray—Delray Savings Bank; capital, $25,000; Pres., C. E. Lyon; Vice-Pres., A. H, Green, Jr.; Cas., F. A. Smith.

Fenton—Commercial Savings Bank (successor to H. B. Latourette); capital, $25,000; Pres., H. B. Latourette; Cas., E. M. Newell.

Sparta—Sparta State Bank; capital, $15,000; Pres., C. A. Bloomer; First Vice-Pres., Jason S. Bradford; Second Vice-Pres., John Manchester; Cas., B. N. Kiester.

MINNESOTA.

Ortonville—Citizens' Bank; Cas., G. W. McArthur.

MISSISSIPPI.

Meridian—Southern Real Estate, Insurance and Banking Co.

MISSOURI.

Kansas City—New England National Bank (successor to New England Safe Deposit & Trust Co.); capital, $200,000; Pres., Jno. F. Downing; Vice-Pres., C. J. Hubbard; Cas., Albert W. Childs.

NEBRASKA.

Stockville—Merchants' State Bank; capital, $5,000; Pres., W. A. Bradbury; Cas., M. F. Ward.

Wilsonville—Wilsonville Bank; capital, $10,000; Pres., C. E. Peirce; Cas., P. M. Peirce.

NEW YORK.

Elmira—Merchants' National Bank (successor to State Bank); capital, $100,000; Pres., Elmer R. Backer; Vice-Pres., Lorenzo Howes; Cas., Charles C. Swan.

Herkimer—Herkimer National Bank (successor to Herkimer Bank); capital, $75,000; Pres., Charles S. Millington; Vice-Pres., Robert Earl; Cas., W. I. Taber.

NORTH DAKOTA.

Davenport—State Bank; capital, $5,000; Pres., L. B. Hanna; Cas., H. S. Crothers; Asst. Cas., W. H. Shure.

Finley—Finley State Bank; capital, $5,000; Pres., K. H. Brunsdale; Cas., Elmer E. Taisey.

Osnabrock—Great Western Bank; capital, $5,000; Pres., H. J. Haskamp; Cas., F. Broghamer.

OHIO.

Jewett—Jewett Bank; capital, $10,000; Pres., W. L. England; Vice-Pres., R. W. Reed; Cas., Geo. H. Collins.

Toledo—Bell & Brown Banking Co.

OKLAHOMA.

Cheyenne—State Bank of Cheyenne; capital, $5,000.

OREGON.

Huntington—Bank of Huntington; capital, $25,000; Pres., J. H. Aitkin; Vice-Pres., A. W. Sutherland; Cas., A. R. Niles.

PENNSYLVANIA.

McKees Rocks—First National Bank; capital, $50,000; Pres., Charles Holmes; Cas., H. W. Sutton.

Washington—Title Guarantee & Trust Co. (successor to Dime Savings Institution); capital, $200,000; Pres., John W. Donnan; Sec. and Treas., James K. Mitchell.

SOUTH CAROLINA.

Bennettsville—Simon Strauss; capital, $40,000.

SOUTH DAKOTA.

Big Stone—Bank of Big Stone City; E. J. Weiser, Mgr.

Pierpoint—Dart & Hawkins Bank; capital, $4,000.

TEXAS.

Canada—N. P. Mauritz & Son; Cas., T. N. Mauritz.

Jefferson—T. J. Rogers & Son.

Omaha—Bank of Omaha; capital, $13,000; Pres., T. H. Leeves; Cas., B. C. Barrier.

Rodgers—Rodgers Bank; capital, $25,000; P. G. Meachum, Banker.

San Antonio—C. E. Stafford & Co.; Cas., J. D. Anderson.

VERMONT.

St. Albans—F. H. Learned.

VIRGINIA.

Clifton Forge—Lynchburg Trust & Savings Bank (Branch); Cas., B. V. Booth.

WISCONSIN.

Antigo—First National Bank; capital, $50,000; Pres., L. D. Moses; Cas., F. T. Zentner.

WYOMING.

Basin—Big Horn County Bank; capital, $10,000; Pres., Willis J. Booth; Vice-Pres., James D. Allen; Cas., D. L. Darr.

CANADA.

ONTARIO.

Carleton Place—Union Bank of Canada.

Fort William—Ontario Bank.

Mildmay—Merchants' Bank of Canada; W. E. Butler, Mgr.

Port Rowan—T. B. Dedrick & Co.

BRITISH COLUMBIA.

ROSSLAND—Bank of Toronto.

VANCOUVER—Merchants' Bank of Halifax; W. M. Botsford, Mgr.

YMIR—Merchants' Bank of Halifax.

QUEBEC.

MONTREAL—Bank of Ottawa.

MANITOBA.

CRYSTAL CITY—Union Bank of Canada; Harry Hettle, Mgr.

KILLARNEY—Union Bank of Canada; J. M. Baldwin, Mgr.

NOVA SCOTIA.

WOLFVILLE—Union Bank of Halifax; W. C. Harvey, Mgr.

NORTHWEST TERRITORY.

DAWSON CITY — Bank of British North America.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

MONTGOMERY—First National Bank; A. M. Baldwin, Pres. in place of H. C. Tompkins, deceased.

CALIFORNIA.

BERKELEY—Commercial Bank; F. K. Shattuck, Pres., deceased.

LOS ANGELES—East Side Bank; title changed to Bank of Commerce.——Los Angeles National Bank; F. C. Howes, Cas., deceased.

WOODLAND — Bank of Woodland; L. D. Stephens, Pres. in place of John D. Stephens, deceased.

COLORADO.

CRIPPLE CREEK—First National Bank; A. E. Carlton, Pres. in place of J. M. Parker.

GUNNISON—First National Bank; J. C. Parsons, Asst. Cas.

LEADVILLE—Carbonate National Bank; F. K. Porter, Asst. Cas.

CONNECTICUT.

BRANFORD—Branford Savings Bank; John Hutchinson, Pres., deceased.

COLCHESTER - Colchester Savings Bank; R. C. Jones, Pres. in place of A. A. Baker; W. H. Van Horn, Treas. in place of J. N. Rogers.

WATERBURY Manufacturers' Nat. Bank; Geo. W. Beach, Pres. in place of David B. Hamilton, deceased; no Vice-Pres. in place of Geo. W. Beach.

DELAWARE.

SMYRNA—National Bank of Smyrna; W. H. Janney, Pres. in place of D. J. Cummins, deceased; Eugene Davis, Cas. in place of W. H. Janney.

GEORGIA.

ATHENS—Exchange Bank; Thomas Bailey, Pres. in place of J. J. C. McMahan.

WARRENTON—Bank of Warrenton; Ike K. Brinson, Asst. Cas., deceased.

ILLINOIS.

CAMBRIDGE—Farmers' National Bank; C. B. Taylor, Cas. in place of E. D. Richardson; no Asst. Cas. in place of C. B. Taylor.

NEWMAN—Newman Bank; S. M. Long, Pres., deceased.

ROCKFORD—Manufacturers' National Bank; W. F. Barnes, Pres. in place of C. O. Upton, A. S. Ruhl, Vice-Pres. in place of W. F. Barnes.

RUSHVILLE—Bank of Schuyler County; Geo. R. Hunter, Pres. in place of Thomas Wilson, deceased.

INDIANA.

BRAZIL—First National Bank; no Vice-Pres. in place of W. H. Zimmerman.

EVANSVILLE—Old National Bank; no Pres. in place of Samuel Bayard, deceased.

SULLIVAN—Sullivan State Bank; I. H. Kalley, Vice-Pres. in place of F. E. Davis.

INDIAN TERRITORY.

VINITA—First National Bank; W. P. Phillips, Cas. in place of H. C. Cook.

IOWA.

ALVORD—Alvord Bank; C. S. Bennett, Cas.

BURLINGTON—First National Bank; Lyman Cook, Pres., deceased.

DOON—Bank of Doon; C. S. Bennett, Cas., resigned.

LAKE MILLS—First National Bank; G. S. Gilbertson, Vice-Pres.; S. H. Larson, Asst. Cas.

TRAER—First National Bank; O. Gravatt, Vice-Pres.; W. J. Ladd, Asst. Cas.

KANSAS.

ARKANSAS CITY—Farmers' State Bank; A. H. Denton, Cas. in place of Geo. A. Kimmell, deceased.

WALNUT—Walnut State Bank; capital, $6,000; W. M. Holman, Pres.; J. W. Holman, Cas.

WICHITA—Sedgwick County Bank; consolidated with Kansas National Bank; Chas. H. Pool, Vice-Pres. in place of C. H. Davidson.

KENTUCKY.

ADAIRVILLE—Bank of Adairville; capital stock reduced from $25,000 to $15,000.

BARDSTOWN—People's Bank; Thomas Smith, Pres. in place of W. I. Samuels; H. R. Cox, Asst. Cas.

EMINENCE—Farmers and Drovers' Bank; capital stock reduced to $25,000.

FRANKFORT—Deposit Bank; David Nicol, Cas. in place of J. Buford Hendrick, resigned.

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.

MT. STERLING—Exchange Bank; capital reduced to $50,000.

LOUISIANA.

PLAQUEMINE—Bank of Plaquemine; Geo. T. Dunlap, Cas., deceased.

MAINE.

BATH—First National Bank; John R. Kelley, Pres. in place of Galen C. Moses; Milton G. Shaw, Vice-Pres. in place of John R. Kelley.

MARYLAND.

BALTIMORE—Continental National Bank; Roger A. Frey, Cas. in place of J. Wesley Guest.

MASSACHUSETTS.

BOSTON—Franklin Savings Bank; Fred W. Lincoln, Pres. deceased; also Vice-Pres. of the Boston Safe Deposit Co. and director Continental National Bank.——Continental National Bank; Otis Kimball and Albert L. Brown elected directors.

FOXBORO—Foxboro Savings Bank; F. E. Hartshorn, Pres. in place of W. B. Crocker; G. F. Williams, Vice-Pres. in place of F. E. Hartshorn.

NORTHBORO—Northboro National Bank; no Pres. in place of Samuel Wood, deceased.

PITTSFIELD—Agricultural National Bank; James L. Warriner, Pres. deceased.

WATERTOWN—Watertown Savings Bank; John K. Stickney, Vice-Pres., deceased.

MICHIGAN.

DETROIT—Wayne County Savings Bank; S. Dow Elwood, Pres., deceased.——Commercial National Bank; John Dyar, director, deceased.

IONIA—State Savings Bank; W. B. Heath, Cas. in place of F. A. Sessions.

MINNESOTA.

LAMBERTON—State Bank; F. Schanders, Pres.; L. Redding, Cas.

WINDOM—First National Bank; A. D. Perkins, Pres., deceased.

MISSOURI.

GRANT CITY—Citizens' Bank; capital increased to $40,000.

POPLAR BLUFF—Butler County Bank; capital reduced to $12,500.

SHELBINA—Bank of Shelbina; Frank Dimmitt, Pres. in place of W. H. Warren, deceased.

WHEELING—Farmers and Merchants' Bank; capital, $10,000; W. A. Swope, Pres.; R. A. Tharp, Cas.

NEBRASKA.

CREIGHTON—Security Bank: Geo. E. Cheney, deceased.

PLATTSMOUTH—Parmele Savings Bank; capital $12,000; Charles C. Parmele, sole owner.

RUSHVILLE—Stockmen's Bank; capital, $15,000; A. M. Modisett, Pres.; H. C. Dale, Cas.

ST. PAUL—First State Bank (successor to First National Bank); capital, $15,000; A. E. Cody, Pres.; Geo. E. Leon, Cas.

NEW HAMPSHIRE.

MANCHESTER—Amoskeag Savings Bank; Otis Barton, Pres. in place of Moody Currier, deceased.

NEW JERSEY.

DOVER—People's National Bank; no Cas. in place of Wilbur F. Morrow, resigned.

NEW YORK.

BOONVILLE—S. C. Thompson & Co.'s Bank; Friend Hoyt, Pres.

BROCKPORT—First National Bank; Luther Gordon, Pres. in place of Geo. C. Gordon, deceased; Philip F. Swart, Cas. in place of Luther Gordon; Geo. C. Gordon, Jr., Asst. Cas. in place of Philip F. Swart.

BROOKLYN—Nassau National Bank; John Morton, director, deceased.

BUFFALO—Ellicott Square Bank; D. C. Ralph, Mgr. in place of Walter G. Robbins, resigned.——Metropolitan Bank; Charles Groben, Pres. in place of Henry Weill.

DUNDEE—Dundee National Bank; G. S. Shattuck, Pres. in place of James V. Bigelow, deceased: C. M. Clark, Cas. in place of G. S. Shattuck; no Asst. Cas. in place of C. M. Clark.

HOLLEY—Exchange Bank; W. S. Housel, Cas. in place of G. N. Bowman, deceased; W. A. Downs, Asst. Cas.

HOMER—First National Bank; corporate existence extended until September 7, 1918.

NEWARK—First National Bank; Fletcher Williams, Pres., deceased.

NEW YORK—Bowery Savings Bank; John P. Townsend, Pres., deceased; also director Farmers' Loan & Trust Co.——Metropolitan Savings Bank; William Burrell, Pres., deceased.——Greenwich Savings Bank; Isaac Hendrix, director, deceased; also trustee New York Savings Bank.——Gansevoort Bank; Charles E. Bigelow, Pres. in place of Charles H. Paul.——New York Clearing House Association; James T. Woodward, Pres. in place of J. Edward Simmons.

OWEGO—Owego National Bank; W. L. Ayer, Vice-Pres. in place of James Davidge, deceased.

ROCHESTER—Traders' National Bank; Henry C. Brewster, Pres. in place of Simon L. Brewster, deceased; no Vice-Pres. in place of Henry C. Brewster.

SANDY HILL—People's National Bank; E. C. Riley, Cas. in place of Lincoln Paris.

WATERLOO—First National Bank; A. H. Terwilliger, Cas. in place of Philip M. Kendig; H. R. Becker, Asst. Cas.

OHIO.

BUCYRUS—First National Bank; no Cas. in place of J. C. Gormly.

CADIZ—First National Bank; no Cas. in place of I. C. Moore, resigned.

CLEVELAND—Marine Bank Co.; C. C. Viall, Pres. in place of W. H. Barriss; S. H. Tolles elected director.

COLUMBUS—City Deposit Bank Co.; F. A. Sells, Pres.; C. H. Hanna, Vice-Pres.; J. J. Jennings, Cas.

FLUSHING—First National Bank; Edwin F. Holloway, Cas. in place of F. M. Cowen.

GALION—Citizens' National Bank; no Asst. Cas. in place of F. R. Green.

MIAMISBURG—First National Bank; no Cas. in place of W. A. Black.

OKLAHOMA TERRITORY.

NORMAN—Citizens' Bank; K. M. Van Zandt, Pres.; Mrs. S. P. Bender, Vice-Pres.

PENNSYLVANIA.

CONSHOHOCKEN—Tradesmen's National Bank; Geo. Corson, Vice-Pres. in place of Geo. W. Wood, deceased.

DANVILLE—First National Bank; B. R. Gearhart, Pres. in place of D. M. Boyd; S. A. Yorks, Cas. in place of B. R. Gearhart; W. L. McClure, Asst. Cas. in place of S. A. Yorks.

DUSHORE—First National Bank; no Pres. in place of F. B. Pomeroy, deceased.

FORD CITY—First National Bank; A. Pitcairn, Vice-Pres.

PHILADELPHIA—Corn Exchange National Bank; J. H. Graham, director, deceased. ——City National Bank; Christopher H. Garden, director, deceased.

PITTSBURG—German National Bank; Otto C. Burgdorf, Cas., resigned; surplus reduced from $500,000 to $250,009.——Exchange National Bank; James P. Hanna, director, deceased.

SCRANTON—Lackawanna Trust & Safe Deposit Co.; Shepard Ayres, Vice-Pres.

TUNKHANNOCK—Wyoming National Bank; P. S. Billings, Vice-Pres. in place of Paul Billings.

RHODE ISLAND.

WOONSOCKET—First National Bank; Joseph E. Cole, Pres., deceased; also Pres. People's Savings Bank.

SOUTH CAROLINA.

LANCASTER—Farmers' Banking & Mercantile Co. (successor to Gregory-Heath Banking and Mercantile Co.); capital, $60,000; W. T. Gregory, Pres.; T. M. Fitzpatrick, Vice-Pres.; Paul Moore, Cas.; J. S. Gladney, Asst. Cas.

ROCK HILL—National Union Bank; T. L. Johnson, Vice-Pres.; L. C. Harrison, Asst. Cas.

TENNESSEE.

JACKSON — Second National Bank; M. S. Neely, 1st Vice-Pres. in place of Thomas Polk; H. C. Irby, 2d Vice-Pres. in place of M. S. Neely.

UTAH.

SALT LAKE CITY—Zion's Savings Bank & Trust Co.; Wilford Woodruff, Pres., deceased.

VERMONT.

BARTON—Barton National Bank; Hiram K. Dewey, Cas., deceased.

BENNINGTON - Bennington County National Bank; J. S. Holden, Pres. in place of S. M. Sibley, deceased.

BURLINGTON—Howard National Bank; H. T. Rutter, Cas. in place of F. E. Burgess; H. S. Weed, Asst. Cas. in place of H. T. Rutter.

WASHINGTON.

HOQUIAM—First National Bank; Geo. W. Hertges, Pres., deceased.

MONTESANO—Montesano State Bank; Geo. W. Hertges, Pres., deceased.

SPOKANE—Exchange National Bank; C. J. Ross, Vice-Pres., deceased.

WEST VIRGINIA.

FAIRMONT—People's Bank; J. M. Brownfield, Cas. in place of John B. Crane, deceased.

PARKERSBURG—Second National Bank; Joe. Good, Vice-Pres.

WISCONSIN.

MILWAUKEE—First National Bank; B. K. Miller, director, deceased.

NEWCASTLE—Bank of Newcastle; capital increased to $20,000.

CANADA.

ONTARIO.

OTTAWA—Quebec Bank; B. B. Stevenson, Asst. Mgr.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ALABAMA.

ANNISTON—Bank of Anniston; assigned to W. W. Stringfellow Sept. 27.

JASPER—Jasper Trust Company; assigned to John A. Gravlee Sept. 15.

COLORADO.

HAHN'S PEAK—Bank of Hahn's Peak.

ILLINOIS.

JACKSONVILLE—First National Bank.

MASON CITY—First National Bank; in voluntary liquidation Sept. 15.

INDIANA.

LOGANSPORT—State National Bank (heretofore in voluntary liqnidation); in hands of Receiver Sept. 27.

IOWA.

MANNING—State Bank.

PORTSMOUTH—Geo. Battey & Son.

KANSAS.

ATCHISON—State Bank.

ROSSVILLE—Rossville State Bank.

MICHIGAN.

APPLEGATE—Bank of Applegate.

BURR OAK—D. F. Parsons; assigned.

MINNESOTA.

MANKATO—Mankato National Bank; in voluntary liquidation Sept. 26.

MORTON—Security Bank; sold out to Bank of Morton.

NEW YORK.

NEW YORK—New England Loan & Trust Co. ——Tradesmen's National Bank.

OHIO.

MIDDLEPORT—Middleport National Bank; in voluntary liquidation Sept. 26.

SANDUSKY—Citizens' National Bank; in voluntary liquidation Oct. 1.

VIRGINIA.

CLIFTON FORGE—Alleghany Bank.

WASHINGTON.

WAITSBURG—First National Bank.

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 call on July 14, 1898. These are published below in conjunction with the two preceding statements of February 18, 1898, and May 5, 1898. 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.	*Feb. 18, 1898.*	*May 5, 1898.*	*July 14, 1898.*
Loans and discounts	$470,938,724	$396,948,326	$451,996,171
Overdrafts	79,857	217,995	93,958
U. S. bonds to secure circulation	16,650,000	17,570,000	17,420,000
U. S. bonds to secure U. S. deposits	18,776,000	12,341,000	31,738,000
U. S. bonds on hand	610,750	886,200	234,950
Premiums on U. S. bonds	3,358,745	3,065,821	3,945,293
Stocks, securities, etc	46,755,693	48,681,103	57,014,856
Banking house, furniture and fixtures	14,051,100	14,602,223	14,572,769
Other real estate and mortgages owned	2,041,229	1,951,013	1,920,054
Due from National banks (not reserve agents)	31,561,439	28,333,790	32,481,546
Due from State banks and bankers	5,887,366	5,663,495	5,414,986
Due from approved reserve agents	......	......	......
Checks and other cash items	2,289,016	4,819,347	2,783,863
Exchanges for clearing-house	69,808,399	85,924,948	56,616,354
Bills of other National banks	893,777	911,698	974,459
Fractional paper currency, nickels and cents	55,834	58,308	56,199
*Lawful money reserve in bank, viz.:			
Gold coin	20,555,561	24,017,318	19,682,681
Gold Treasury certificates	6,802,510	6,812,270	7,070,830
Gold clearing-house certificates	72,130,000	105,907,000	118,270,000
Silver dollars	76,051	104,069	103,683
Silver Treasury certificates	7,198,871	4,171,617	6,784,511
Silver fractional coin	550,698	527,290	545,238
Legal-tender notes	42,221,709	25,655,515	33,223,956
U. S. certificates of deposit for legal-tender notes	29,325,000	9,590,000	8,960,000
Five per cent. redemption fund with Treasurer	740,250	768,257	781,650
Due from U. S. Treasurer	744,966	870,057	1,468,822
Total	$864,096,564	$799,898,682	$874,123,833

LIABILITIES.	*Feb. 18, 1898.*	*May 5, 1898.*	*July 14, 1898.*
Capital stock paid in	$48,900,000	$48,900,000	$48,700,000
Surplus fund	42,701,500	43,051,500	43,041,000
Undivided profits, less expenses and taxes paid	17,454,076	18,275,898	17,896,245
National bank notes issued, less amount on hand	14,080,817	15,088,097	14,924,417
State bank notes outstanding	16,556	16,556	16,556
Due to other National banks	240,843,341	186,996,940	218,852,968
Due to State banks and bankers	93,457,882	86,034,256	93,495,586
Dividends unpaid	109,592	151,537	211,443
Individual deposits	382,535,476	386,405,841	393,960,653
U. S. deposits	15,639,415	11,026,968	30,855,254
Deposits of U. S. disbursing officers	239,761	356,928	1,068,574
Notes and bills rediscounted	200,000	44,715	......
Bills payable	......	50,000	100,000
Liabilities other than those above stated	7,920,644	3,547,972	15,981,184
Total	$864,096,564	$799,898,682	$874,123,833
Average reserve held	28.75 p. c.	32.27 p. c.	30.68 p. c.
* Total lawful money reserve	$178,860,395	$176,785,094	$194,609,899

	ALBANY, N. Y.			BALTIMORE, MD.			BOSTON, MASS.		
RESOURCES.	Feb. 18, 1898.	May 5, 1898.	July 14, 1898.	Feb. 18, 1898.	May 5, 1898.	July 14, 1898.	Feb. 18, 1898.	May 5, 1898.	July 14, 1898.
Loans and discounts	$7,183,806	$8,607,871	$8,663,736	$33,449,522	$35,829,498	$35,298,864	$164,728,194	$156,623,874	$161,165,619
Overdrafts	2,999	1,884	2,588	34,642	30,150	29,911	51,947	59,058	115,778
U. S. bonds to secure circulation	300,000	300,000	300,000	1,965,000	1,965,000	2,655,000	6,827,000	6,997,000	7,252,000
U. S. bonds to secure U. S. deposits	50,000	50,000	100,000	202,000	202,000	518,000	347,000	347,000	859,000
U. S. bonds on hand	......	......	......	500	500	500	5,000	57,000	779,000
Premiums on U. S. bonds	22,000	22,000	33,750	197,137	174,504	288,175	284,570	341,082	332,445
Stocks, securities, etc	732,646	1,129,428	1,102,087	2,906,404	2,985,617	2,414,752	8,317,306	8,129,425	9,068,541
Banking house, furniture and fixtures	295,000	295,000	296,250	2,166,880	2,169,380	2,329,828	2,390,392	2,391,962	2,392,956
Other real estate and mortgages owned	74,987	90,615	90,615	205,898	218,092	217,581	383,147	400,485	441,999
Due from National banks (not reserve agents)	1,825,104	1,217,069	1,513,833	2,416,875	2,211,465	2,561,418	13,926,399	15,622,536	14,463,767
Due from State banks and bankers	334,510	551,611	1,214,041	318,600	397,477	496,641	778,890	686,872	949,930
Due from approved reserve agents	3,627,100	3,566,723	2,636,745	4,419,566	3,833,663	5,728,132	34,730,588	29,492,474	36,563,930
Checks and other cash items	97,582	62,087	65,044	106,660	129,476	213,682	411,420	325,596	505,330
Exchanges for clearing-house	97,485	155,293	100,399	1,846,135	1,840,056	1,498,316	12,327,339	8,523,131	7,954,479
Bills of other National banks	48,936	54,489	77,739	259,831	141,145	199,417	935,532	834,060	1,012,280
Fractional paper currency, nickels and cents	1,840	1,315	2,289	15,650	17,705	16,346	23,834	22,645	21,183
*Lawful money reserve in bank, viz.:									
Gold coin	496,082	497,627	535,677	1,706,129	1,625,908	1,696,555	7,815,929	6,233,554	5,722,937
Gold Treasury certificates	334,420	334,420	330,920	345,210	327,230	355,820	1,397,410	1,395,420	1,562,960
Gold clearing-house certificates	......	......	......	......	......	20,000	......	4,560,000	6,295,000
Silver dollars	25,127	18,414	19,957	63,459	61,054	70,844	74,286	65,207	60,583
Silver Treasury certificates	30,593	35,235	34,417	1,995,582	1,234,871	1,078,932	2,686,831	1,744,041	1,800,066
Silver fractional coin	33,824	19,119	14,017	88,169	90,439	87,802	154,437	152,920	163,179
Legal-tender notes	318,424	365,088	431,278	829,472	840,710	680,223	7,042,525	5,932,827	4,956,237
U. S. certificates of deposit for legal-tenders	......	......	......	1,660,000	1,055,000	920,000	2,360,000	240,000	160,000
Five per cent. redemption fund with Treas.	13,500	13,500	13,500	89,335	88,575	119,475	275,950	314,035	325,946
Due from U. S. Treasurer	......	770	5,600	45	5,405	196,165	87,461	88,379	1,208,031
Total	$15,895,370	$17,389,564	$17,584,438	$57,302,697	$57,494,916	$59,691,887	$267,863,395	$251,581,040	$266,133,202
LIABILITIES.									
Capital stock paid in	$1,550,000	$1,550,000	$1,550,000	$13,243,260	$13,243,260	$13,243,260	$49,350,000	$48,550,000	$48,150,000
Surplus fund	1,380,000	1,380,000	1,390,000	5,184,100	5,184,100	5,195,875	14,983,025	14,802,825	14,741,825
Undiv. profits, less expenses and taxes paid	168,295	194,833	187,491	1,027,794	1,288,681	984,846	5,558,722	4,709,157	5,558,779
National bank notes issued, less am't on hand	261,150	264,390	259,280	1,728,070	1,766,860	2,365,790	5,881,122	6,192,582	6,404,120
State bank notes outstanding	......	......	......	4,605	4,604	4,604	......	......	......
Due to other National banks	4,388,349	3,788,589	3,694,290	7,539,611	7,094,842	7,252,867	41,321,815	33,031,595	41,554,197
Due to State banks and bankers	2,069,409	1,993,229	1,897,058	1,995,356	1,819,210	2,066,884	21,791,790	18,077,960	21,235,738
Dividends unpaid	1,395	3,878	2,841	84,970	65,857	181,566	30,029	46,434	27,369
Individual deposits	6,005,076	8,147,904	8,481,743	26,273,263	26,441,812	27,328,976	128,128,045	124,023,745	126,916,600
U. S. deposits	48,551	42,677	81,170	217,262	220,687	615,535	177,580	204,668	462,456
Deposits of U. S. disbursing officers	1,403	7,822	18,829	......	......	......	55,905	54,682	47,235
Notes and bills rediscounted	21,738	21,738	21,738	......	......	......	......	......	......
Bills payable	......	......	......	......	365,000	355,000	1,066,966	1,258,966	926,811
Liabilities other than those above stated	......	......	......	4,401	......	96,731	3,391	628,470	118,567
Total	$15,895,370	$17,389,564	$17,584,438	$57,302,697	$57,494,916	$59,691,887	$267,863,395	$251,581,040	$266,133,202
Average reserve held	47.80 p. c.	40.42 p. c.	35.64 p. c.	35.80 p. c.	29.49 p. c.	32.91 p. c.	34.57 p. c.	33.47 p. c.	34.74 p. c.
*Total lawful money reserve	$1,238,470	$1,269,904	$1,366,267	$6,688,021	$5,235,207	$4,910,177	$21,531,419	$20,324,970	$20,720,962

Resources.	Brooklyn, N. Y. Feb. 18, 1898.	Brooklyn, N. Y. May 5, 1898.	Brooklyn, N. Y. July 14, 1898.	Chicago, Ill. Feb. 18, 1898.	Chicago, Ill. May 5, 1898.	Chicago, Ill. July 14, 1898.	Cincinnati, Ohio. Feb. 18, 1898.	Cincinnati, Ohio. May 5, 1898.	Cincinnati, Ohio. July 14, 1898.
Loans and discounts	$11,427,308	$11,581,423	$12,017,305	$100,847,676	$105,355,843	$107,216,641	$24,705,562	$24,136,455	$23,876,514
Overdrafts	1,491	1,142	1,653	316,237	339,884	161,718	15,888	12,114	19,383
U. S. bonds to secure circulation	642,000	642,000	642,000	1,200,000	1,150,000	1,300,000	5,649,000	5,594,000	5,027,500
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	550,000	550,000	550,000	1,200,000	1,225,000	2,195 000
U. S. bonds on hand	......	......	......	496,950	267,000	306,000	1,785,700	2,237,050	638,350
Premiums on U. S. bonds	30,625	30,250	29,875	83,970	75,000	88,375	1,068,826	1,182,584	926,550
Stocks, securities, etc	2,634,923	2,647,690	2,641,999	8,822,137	8,258,395	9,193,422	4,148,057	4,475,558	4,758,520
Banking house, furniture and fixtures	600,754	600,754	600,254	819,525	819,525	806,194	476,399	476,399	478,174
Other real estate and mortgages owned	92,500	92,500	92,500	695,180	708,808	678,706	177,983	187,114	205,404
Due from National banks (not reserve agents)	51,592	62,196	57,149	25,599,735	22,104,832	23,995,372	3,382,350	3,148,664	4,063,836
Due from State banks and bankers	106,962	128,810	228,486	8,584,335	7,747,504	5,128,053	587,293	621,598	779,586
Due from approved reserve agents	2,307,993	3,606,245	3,014,963	......	......	......	7,352,717	5,021,401	6,755,827
Checks and other cash items	94,662	137,165	67,649	91,505	138,136	292,712	115,236	140,099	148,770
Exchanges for clearing-house	1,155,657	1,261,139	801,913	5,368,952	6,554,765	5,085,716	241,738	229,474	298,530
Bills of other National Banks	133,470	155,173	137,392	1,622,499	1,490,332	1,499,049	279,960	446,758	348,598
Fractional paper currency, nickels and cents	9,045	9,850	8,295	21,912	20,818	32,569	4,411	4,510	5,022
*Lawful money reserve in bank, viz.:									
Gold coin	498,484	564,068	840,810	15,134,895	16,056,787	16,848,226	1,100,700	1,111,658	1,183,661
Gold Treasury certificates	165,000	168,000	178,000	3,148,050	3,276,230	3,097,050	317,150	294,400	304,120
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	17,815	16,000	18,000	175,578	182,897	206,657	62,738	71,978	62,861
Silver Treasury certificates	396,287	656,608	816,981	3,102,133	3,064,362	3,578,556	394,890	733,120	552,777
Silver fractional coin	58,111	78,751	83,728	216,138	207,805	228,637	27,792	24,844	24,516
Legal-tender notes	926,339	1,059,378	1,309,236	15,093,900	18,021,619	14,707,568	1,747,661	2,707,717	1,878,996
U. S. certificates of deposit for legal-tenders	......	......	......	3,640,000	2,715,000	2,120,000	700,000	690,000	620,000
Five per cent. redemption fund with Treas.	28,890	28,010	27,180	49,500	47,250	49,500	251,845	251,730	223,487
Due from U. S. Treasurer	......	2,950	30,770	58,092	73,523	575,019	666	666	209,310
Total	$21,579,910	$23,682,108	$23,846,142	$195,738,904	$199,226,816	$197,947,738	$55,794,567	$55,024,881	$55,055,264
Liabilities.									
Capital stock paid in	$1,352,000	$1,352,000	$1,352,000	$18,950,000	$18,950,000	$19,450,000	$7,800,000	$7,800,000	$7,700,000
Surplus fund	2,280,000	2,280,000	2,300,000	9,237,400	9,247,400	9,374,900	2,765,000	2,765,000	2,715,000
Undiv. profits, less expenses and taxes paid	373,585	445,423	[illegible]	2,078,944	2,361,279	1,962,225	1,110,477	907,593	1,021,198
National bank notes issued, less am't on hand	567,670	574,750	572,960	562,715	553,045	539,065	4,382,080	4,765,780	4,205,460
State bank notes outstanding	1,846	1,846	1,846	......	......	......	......	......	......
Due to other National banks	259,231	408,160	400,431	55,001,297	52,511,460	55,182,048	10,858,378	10,829,794	9,776,472
Due to State banks and bankers	249,410	338,192	459,976	28,434,915	30,387,500	30,035,539	5,182,120	4,841,930	4,778,578
Dividends unpaid	1,347	[illegible]	4,987	5,707	6,023	21,480	4,209	123,449	6,572
Individual deposits	16,278,757	18,060,811	18,170,658	80,947,011	84,651,530	80,565,624	21,240,685	21,827,220	22,078,184
U. S. deposits	164,799	168,890	171,844	498,468	492,718	583,278	1,218,165	980,590	1,865,802
Deposits of U. S. disbursing officers	35,042	30,529	27,725	27,442	65,858	21,077	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	21,219	26,219	22,963	......	......	12,500	738,500	683,500	918,000
Total	$21,579,910	$23,682,108	$23,846,142	$195,738,904	$199,226,816	$197,747,738	$55,794,567	$55,024,881	$55,055,264
Average reserve held	28.31 p. c.	35.53 p. c.	34.92 p. c.	32.78 p. c.	33.46 p. c.	31.25 p. c.	35.16 p. c.	32.41 p. c.	35.18 p. c.
* Total lawful money reserve	$2,062,067	$2,542,806	$3,246,755	$40,510,694	$43,524,700	$40,788,694	$4,350,981	$5,633,707	$4,626,952

	CLEVELAND, OHIO.			DES MOINES, IOWA.			DETROIT, MICH.		
Resources.	Feb. 18, 1898.	May 5, 1898.	July 14, 1898.	Feb. 18, 1898.	May 5, 1898.	July 14, 1898.	Feb. 18, 1898.	May 5, 1898.	July 14, 1898.
Loans and discounts	$29,180,200	$29,674,913	$30,255,845	$2,522,792	$3,058,949	$3,420,118	$14,824,822	$15,691,302	$14,956,828
Overdrafts	86,748	29,407	25,810	21,858	23,816	16,288	3,768	1,686	2,884
U. S. bonds to secure circulation	1,880,000	1,480,000	1,480,000	298,000	343,000	343,000	1,150,000	1,200,000	1,400,000
U. S. bonds to secure U. S. deposits	60,000	60,000	60,000	......	......	50,000	800,000	300,000	800,000
U. S. bonds on hand	100,000	200,000	200,500	100,000	100,000	50,000	200,000	229,800	100,000
Premiums on U. S. bonds	48,200	84,450	88,995	33,875	32,375	31,875	202,242	216,242	205,367
Stocks, securities, etc	838,844	851,556	853,419	271,425	272,638	260,516	376,795	414,297	428,487
Banking house, furniture and fixtures	518,405	508,104	508,184	143,541	143,541	143,541	81,538	81,088	80,538
Other real estate and mortgages owned	215,487	21[illegible],752	210,718	99,431	93,917	93,927	266,761	358,654	354,544
Due from National banks (not reserve agents)	2,631,718	2,559,147	2,485,889	239,876	339,968	229,966	1,526,764	1,049,066	908,056
Due from State banks and bankers	936,812	775,005	949,306	84,740	38,384	33,872	540,560	884,949	818,986
Due from approved reserve agents	7,182,580	4,535,080	5,776,086	765,518	876,406	754,191	4,192,854	2,116,209	1,901,164
Checks and other cash items	169,205	98,867	119,874	10,769	30,658	22,111	11,083	17,962	231,283
Exchanges for clearing-house	212,064	258,058	349,082	62,312	77,798	72,782	265,9 2	226,968	210,649
Bills of other National banks	184,369	158,529	197,480	19,588	65,461	40,963	210,796	165,807	258,245
Fractional paper currency, nickels and cents	5,744	5,930	5,791	1,448	1,635	2,054	12,699	6,910	11,381
*Lawful money reserve in bank, viz.:									
Gold coin	1,507,082	1,570,627	1,625,407	146,157	145,600	147,912	1,346,825	1,357,527	1,359,652
Gold Treasury certificates	246,190	249,570	253,170	4,270	4,480	4,830	18,000	20,000	20,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	142,235	122,723	112,428	24,881	32,782	21,254	74,338	78,648	93,907
Silver Treasury certificates	188,175	156,675	198,498	15,450	68,897	16,272	147,558	188,050	149,748
Silver fractional coin	32,284	33,936	30,965	12,276	17,652	7,714	80,721	52,606	59,810
Legal-tender notes	1,050,485	1,295,439	1,700,750	165,740	229,801	296,804	763,387	575,226	798,730
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	60,920	63,100	65,550	18,185	14,975	14,435	51,750	54,000	63,000
Due from U. S. Treasurer	11,750	12,000	106,900	1,500	1,000	47,200	12,041	14,352	40,675
Total	$46,834,452	$44,963,818	$47,655,092	$5,008,633	$6,008,678	$6,051,598	$26,611,289	$24,700,775	$24,208,826
Liabilities.									
Capital stock paid in	$9,775,000	$9,400,000	$9,400,000	$800,000	$800,000	$800,000	$8,300,000	$3,300,000	$8,300,000
Surplus fund	2,111,700	2,146,620	2,161,500	221,500	221,500	221,500	605,000	605,000	605,000
Undiv. profits, less expenses and taxes paid	639,142	469,394	564,658	81,926	45,577	55,471	280,665	311,455	252,607
National bank notes issued, less am't on hand	1,227,180	1,297,460	1,321,950	256,482	289,307	305,417	975,650	1,011,920	1,122,830
Due to other National banks	5,171,532	4,542,286	4,608,819	649,538	......	908,499	4,122,328	2,956,942	2,991,809
Due to State banks and bankers	3,654,230	3,041,433	3,185,420	1,491,504	917,540	1,856,106	6,390,421	5,613,478	5,401,846
Dividends unpaid	1,514	84,886	1,455	5,055	1,341,564	7,801	187	829	3,635
Individual deposits	23,887,886	22,968,406	25,398,622	1,547,630	4,328	1,846,778	10,637,577	10,494,597	10,224,436
U. S. deposits	46,195	45,671	91,841	......	1,888,861	50,028	238,585	227,284	276,884
Deposits of U. S. disbursing officers	14,404	18,158	14,705	......	......	......	65,874	79,271	25,277
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	100,000	200,000	100,000	......	......	......	......	100,000	......
Liabilities other than those above stated	806,167	755,000	811,619	......	......	......	......	......	......
Total	$46,834,452	$44,963,818	$47,655,092	$5,008,633	$6,008,678	$6,051,598	$26,611,289	$24,700,775	$24,208,826
Average reserve held	36.66 p. c.	29.76 p. c.	33.30 p. c.	34.38 p. c.	33.66 p. c.	27.81 p. c.	35.31 p. c.	25.06 p. c.	25.81 p. c.
***Total lawful money reserve**	$3,116,401	$3,428,970	$3,921,213	$368,774	$499,212	$424,786	$2,430,829	$2,222,058	$2,481,842

	HOUSTON, TEXAS.			KANSAS CITY, MO.			LINCOLN, NEB.		
RESOURCES.	*Feb. 18, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Feb. 18, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Feb. 18, 1898.*	*May 5, 1898.*	*July 14, 1898.*
Loans and discounts	$1,947,309	$2,300,184	$2,476,941	$17,821,121	$17,359,879	$18,918,947	$1,918,263	$2,005,944	$2,019,266
Overdrafts	217,514	35,403	18,815	143,711	151,150	107,071	13,272	6,197	12,604
U. S. bonds to secure circulation	200,000	250,000	250,000	250,000	250,000	250,000	150,000	150,000	150,000
U. S. bonds to secure U. S. deposits	50,000	......	......	100,000	100,000	50,000	......	......	......
U. S. bonds on hand	......	......	......	416,000	226,000	304,500	......	......	......
Premiums on U. S. bonds	22,933	22,633	22,333	100,320	61,827	36,000	5,500	5,500	5,500
Stocks, securities, etc	33,084	32,843	25,289	1,157,368	1,640,992	1,648,583	84,427	73,329	83,372
Banking house, furniture and fixtures	133,084	133,549	133,714	69,365	66,865	16,366	9,037	8,046	8,645
Other real estate and mortgages owned	115,301	121,584	121,968	356,392	357,992	418,288	100,358	109,111	116,816
Due from National banks (not reserve agents)	821,031	594,165	418,082	920,536	1,207,449	919,853	93,372	127,598	95,520
Due from State banks and bankers	105,805	41,151	48,606	2,489,048	2,082,839	1,815,509	31,463	39,129	37,492
Due from approved reserve agents	744,158	732,537	512,882	7,280,266	6,712,474	3,647,740	320,845	405,052	399,255
Checks and other cash items	2,656	935	3,815	31,787	37,461	69,994	10,219	15,388	14,282
Exchanges for clearing-house	8,182	29,356	18,134	556,624	649,141	723,716	17,297	19,906	24,220
Bills of other National banks	37,040	91,824	62,239	225,600	204,136	130,440	5,294	4,826	7,947
Fractional paper currency, nickels and cents	3,666	3,455	4,372	3,463	3,695	5,069	1,626	1,515	20,020
*Lawful money reserve in bank, viz.:									
Gold coin	353,763	345,892	363,216	550,615	830,715	880,680	109,480	92,215	89,780
Gold Treasury certificates	134,020	135,760	135,940	51,020	101,120	50,000	......	......	......
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	72,592	95,661	38,356	101,376	89,110	66,283	21,414	18,429	12,712
Silver Treasury certificates	107,872	139,999	76,015	600,373	1,058,571	1,025,464	2,603	14,169	17,838
Silver fractional coin	14,047	27,649	11,951	28,889	26,545	22,487	14,021	15,632	14,692
Legal-tender notes	831,753	799,496	645,516	854,300	1,366,400	1,032,160	84,108	117,654	115,806
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	9,000	9,715	11,250	11,250	11,250	11,250	......	6,750	6,750
Due from U. S. Treasurer	......	1,535	3,000	4,500	......	20,000	......	......	53,300
Total	$5,964,815	$5,944,782	$5,402,363	$34,123,925	$34,595,616	$32,170,375	$2,999,353	$3,236,397	$3,287,323
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	572,300	572,300	577,300	509,000	521,000	578,000	36,000	36,000	37,000
Undiv. profits, less expenses and taxes paid	97,407	127,050	87,740	271,302	338,462	303,757	4,837	7,362	4,654
National bank notes issued, less am't on hand	134,840	134,220	182,420	225,000	225,000	225,000	133,800	184,700	184,150
Due to other National banks	931,509	680,589	483,791	9,251,053	8,537,494	7,525,276	228,362	248,186	243,558
Due to State banks and bankers	278,694	258,925	137,722	9,490,466	8,756,048	8,024,090	282,490	374,061	439,133
Dividends unpaid	7,845	4,083	6,483	2,020	1,119	26,485	300	......	1,158
Individual deposits	2,792,156	3,[illegible],076	2,826,350	11,974,430	12,953,286	12,604,744	1,513,562	1,636,066	1,627,669
U. S. deposits	......	......	......	71,507	77,594	47,812	......	......	......
Deposits of U. S. disbursing officers	......	......	......	29,144	20,611	13,767	......	......	......
Notes and bills rediscounted	......	......	......	......	......	372,[illegible]29	......	......	......
Bills payable	......	......	......	......	......	153,612	......	......	......
Liabilities other than those above stated	62	587	605	......	865,000	......	......	......	......
Total	$5,964,815	$5,944,782	$5,402,363	$34,123,925	$34,595,616	$32,170,375	$2,999,353	$3,236,397	$3,287,323
Average reserve held	74.62 p. c.	71.36 p. c.	61.75 p. c.	35.60 p. c.	38.91 p. c.	27.32 p. c.	29.79 p. c.	32.41 p. c.	30.58 p. c.
*** Total lawful money reserve**	$1,514,048	$1,544,457	$1,270,994	$2,186,578	$3,472,461	$3,077,074	$231,626	$258,099	$250,328

	LOUISVILLE, KY.			MILWAUKEE, WIS.			MINNEAPOLIS, MINN.		
RESOURCES.	*Feb. 18, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Feb. 18, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Feb. 18, 1898.*	*May 5, 1898.*	*July 14, 1898.*
Loans and discounts	$7,535,878	$7,492,145	$7,110,155	$15,858,483	$17,398,657	$16,756,818	$12,273,799	$11,458,686	$10,862,393
Overdrafts	15,086	9,332	10,858	134,863	192,818	152,549	6,863	4,855	20,229
U. S. bonds to secure circulation	850,000	950,000	1,350,000	720,000	870,000	870,000	300,000	300,000	300,000
U. S. bonds to secure U. S. deposits	750,000	750,000	750,000	390,000	390,000	390,000	50,000	50,000	50,000
U. S. bonds on hand	100,000	100,000	106,000	8,250	39,350	32,250	......	......	......
Premiums on U. S. bonds	148,750	152,000	205,500	182,184	161,259	161,259	23,250	22,950	21,200
Stocks, securities, etc	894,282	942,429	1,009,122	1,310,015	1,379,425	1,391,661	431,273	441,684	465,450
Banking house, furniture and fixtures	189,125	189,125	189,125	123,763	123,763	128,263	107,175	108,275	108,875
Other real estate and mortgages owned	4,228	8,783	10,157	66,670	66,582	68,723	77,628	77,628	77,628
Due from National banks (not reserve agents)	994,178	923,417	1,011,496	2,824,355	1,849,579	1,776,164	751,850	719,127	1,035,422
Due from State banks and bankers	334,871	272,235	249,928	965,946	1,018,055	1,027,223	708,345	891,357	882,835
Due from approved reserve agents	3,694,235	2,334,532	2,210,555	6,421,138	4,524,430	5,040,330	1,563,777	2,236,900	3,020,842
Checks and other cash items	10,728	9,606	9,747	23,746	7,773	18,039	17,350	29,942	29,031
Exchanges for clearing-house	170,456	52,633	139,586	288,581	417,992	337,483	402,968	1,014,054	331,206
Bills of other National banks	47,223	110,975	66,230	57,385	84,961	76,418	71,710	150,579	113,311
Fractional paper currency, nickels and cents	1,660	2,832	3,418	1,677	2,749	6,318	4,436	5,195	12,482
*Lawful money reserve in bank, viz.:									
Gold coin	587,339	607,392	701,877	1,961,412	2,128,676	2,141,934	744,187	597,652	677,047
Gold Treasury certificates	5,000	5,000	5,000	......	......	......	10,000	9,000	9,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	36,306	31,754	49,621	49,314	35,953	74,010	32,416	30,594	36,734
Silver Treasury certificates	......	......	......	123,245	110,288	151,861	32,700	58,200	27,500
Silver fractional coin	10,048	14,349	20,575	27,062	22,560	34,512	12,520	10,892	21,413
Legal-tender notes	531,928	1,317,301	736,794	1,036,960	1,673,761	1,699,199	372,987	837,336	685,351
U. S. certificates of deposit for legal-tenders	......	250,000	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	38,250	38,240	60,740	32,400	38,537	39,150	13,500	13,300	12,800
Due from U. S. Treasurer	7,280	......	18,430	600	7,400	9,250	4,110	1,562	103,062
Total	$16,956,850	$16,564,088	$16,024,914	$32,553,025	$32,544,573	$32,378,372	$18,015,800	$19,069,724	$18,903,838
LIABILITIES.									
Capital stock paid in	$3,000,000	$3,000,000	$2,800,000	$3,250,000	$3,250,000	$3,250,000	$4,500,000	$4,500,000	$4,500,000
Surplus fund	665,000	665,000	648,000	586,500	586,500	588,500	503,500	505,500	512,000
Undiv. profits, less expenses and taxes paid	200,252	213,928	211,272	163,629	185,179	159,825	379,687	354,850	246,985
National bank notes issued, less am't on hand	763,440	768,550	1,214,690	630,670	764,200	769,260	201,230	200,410	195,920
Due to other National banks	3,522,127	3,478,308	3,181,336	4,062,378	4,038,040	3,595,960	3,201,355	2,674,572	2,892,267
Due to State banks and bankers	2,452,825	1,870,838	2,060,416	2,554,138	2,462,188	2,117,303	1,939,349	1,778,498	1,584,305
Dividends unpaid	3,427	8,919	11,166	1,287	125	1,707	1,480	2,897	11,400
Individual deposits	5,577,533	5,791,228	5,125,854	20,942,509	20,876,675	21,514,960	7,206,877	8,988,184	8,793,306
U. S. deposits	558,962	529,633	468,792	271,615	280,159	264,415	39,074	37,135	38,377
Deposits of U. S. disbursing officers	196,301	220,702	251,331	120,297	106,505	116,497	18,433	4,691	10,510
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	21,978	21,978	32,054	......	......	......	24,813	22,984	118,814
Total	$16,956,850	$16,564,088	$16,024,914	$32,553,025	$32,544,573	$32,378,372	$18,015,800	$19,069,724	$18,903,838
Average reserve held	45.57 p. c.	43.65 p. c.	39.22 p. c.	40.58 p. c.	34.99 p. c.	37.64 p. c.	26.60 p. c.	35.42 p. c.	40.95 p. c.
* Total lawful money reserve	$1,170,622	$2,225,797	$1,513,867	$3,197,964	$3,971,238	$4,101,516	$1,204,761	$1,543,675	$1,457,046

RESOURCES.	NEW ORLEANS, LA. Feb. 18, 1898.	NEW ORLEANS, LA. May 5, 1898.	NEW ORLEANS, LA. July 14, 1898.	OMAHA, NEB. Feb. 18, 1898.	OMAHA, NEB. May 5, 1898.	OMAHA, NEB. July 14, 1898.	PHILADELPHIA, PA. Feb. 18, 1898.	PHILADELPHIA, PA. May 5, 1898.	PHILADELPHIA, PA. July 14, 1898.
Loans and discounts	$10,751,992	$10,697,620	$10,826,802	$9,695,582	$9,907,726	$9,811,775	$96,797,605	$93,327,849	$93,734,700
Overdrafts	632,869	412,632	261,886	120,207	111,880	124,886	15,258	16,632	12,686
U. S. bonds to secure circulation	622,000	622,000	622,000	625,000	625,000	575,000	7,007,500	6,992,500	6,942,500
U. S. bonds to secure U. S. deposits	......	......	......	450,000	450,000	500,000	100,000	200,000	1,220,000
U. S. bonds on hand	43,950	47,850	41,750	13,000	35,000	35,000	550,000	550,000	60,400
Premiums on U. S. bonds	41,245	35,101	33,979	98,826	96,250	95,750	703,535	732,836	782,704
Stocks, securities, etc	1,961,324	2,214,343	2,348,788	763,763	714,365	717,261	12,434,850	13,656,249	15,294,605
Banking house, furniture and fixture	623,837	623,837	623,337	832,382	832,384	832,384	4,237,124	4,136,804	3,975,804
Other real estate and mortgages owned	85,815	85,315	151,570	533,238	516,059	414,752	593,775	630,764	599,339
Due from National banks (not reserve agents)	668,480	705,088	624,370	780,823	922,846	979,466	7,311,671	7,103,994	8,629,988
Due from State banks and bankers	890,921	641,550	477,159	526,764	445,527	733,541	1,747,088	1,468,095	1,817,810
Due from approved reserve agents	4,942,399	3,131,779	2,804,115	2,725,781	3,063,249	4,068,015	20,931,474	14,642,678	20,401,471
Checks and other cash items	24,588	24,709	37,980	112,432	114,669	116,129	1,062,081	1,148,102	1,960,626
Exchanges for clearing-house	1,194,544	851,653	539,688	578,179	612,899	675,232	9,223,814	7,534,245	10,202,097
Bills of other National banks	48,125	92,993	61,495	120,362	177,525	144,880	364,274	381,052	403,404
Fractional paper currency, nickels and cents	7,564	13,627	13,442	4,889	4,650	3,038	61,269	70,723	64,251
*Lawful money reserve in bank, viz.:									
Gold coin	790,164	888,483	1,016,392	1,159,890	894,522	1,129,705	1,927,921	1,780,418	1,740,016
Gold Treasury certificates	134,630	113,670	107,130	32,400	37,730	37,150	158,880	159,745	155,950
Gold clearing-house certificates	......	......	......	......	......	......	6,825,000	7,730,000	8,860,000
Silver dollars	97,068	73,565	63,849	138,392	123,866	175,662	209,054	252,359	263,960
Silver Treasury certificates	1,192,216	1,171,718	989,882	96,396	142,737	118,145	3,434,339	3,666,626	3,991,058
Silver fractional coin	68,873	72,859	79,817	43,718	39,805	60,614	282,763	265,463	324,948
Legal-tender notes	1,449,596	1,583,203	1,429,443	549,916	866,949	984,709	2,221,955	2,183,694	2,588,268
U. S. certificate of deposit for legal-tenders	395,000	320,000	210,000	......	......	......	9,165,000	5,770,000	5,060,000
Five per cent. redemption fund with Treas.	27,790	27,990	27,990	28,125	27,940	25,875	309,588	313,087	312,410
Due from U. S. Treasurer	16,400	2,000	30,000	5,650	2,750	109,103	44,848	44,996	268,606
Total	$26,730,895	$24,453,589	$23,422,869	$20,035,670	$20,765,833	$22,468,071	$189,690,667	$174,708,921	$189,057,600
LIABILITIES.									
Capital stock paid in	$2,300,000	$2,300,000	$2,300,000	$3,750,000	$3,750,000	$3,750,000	$20,915,000	$20,465,000	$19,655,000
Surplus fund	2,305,000	2,305,000	2,355,000	334,500	334,500	342,500	14,523,000	14,548,000	14,895,000
Undiv. profits less expenses and taxes paid	377,609	481,864	354,608	125,921	143,090	116,556	2,792,437	2,559,818	2,658,942
National bank notes issued, less am't on hand	522,045	518,895	517,995	562,500	557,590	504,450	5,998,435	6,202,285	6,111,405
Due to other National banks	2,070,221	1,539,179	1,290,215	3,658,561	3,874,848	4,563,225	29,355,065	22,876,133	26,817,859
Due to State banks and bankers	2,358,144	1,748,833	1,225,669	3,069,573	3,542,260	3,967,498	8,730,252	7,447,437	8,647,279
Dividends unpaid	9,390	6,367	40,082	373	383	383	40,566	293,601	64,683
Individual deposits	16,783,483	15,553,948	15,838,848	7,966,612	8,060,510	8,691,698	107,070,340	99,588,358	109,344,585
U. S. deposits	......	......	......	267,977	311,806	383,701	202,006	201,842	1,228,868
Deposits of U. S. disbursing officers	......	......	......	194,651	125,844	96,063	......	1,870	51,265
Notes and bills rediscounted	5,000	......	......	......	......	......	......	......	......
Bills payable	......	......	......	65,000	65,000	50,000	......	335,000	......
Liabilities other than those above stated	......	......	......	......	......	......	63,569	189,588	82,761
Total	$26,730,895	$24,453,589	$23,422,869	$20,035,670	$20,765,833	$22,468,071	$189,690,667	$174,708,921	$189,057,600
Average reserve held	49.39 p. c.	44.59 p. c.	41.56 p. c.	36.19 p. c.	37.78 p. c.	48.50 p. c.	35.87 p. c.	32.28 p. c.	34.96 p. c.
* Total lawful money reserve	$4,127,547	$4,223,498	$3,896,513	$2,020,712	$2,105,609	$2,505,985	$24,224,912	$21,758,305	$22,979,190

	PITTSBURG, PA.			ST. JOSEPH, MO.			ST. LOUIS, MO.		
RESOURCES.	*Feb. 18, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Feb. 18, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Feb. 18, 1898.*	*May 5, 1898.*	*July 14, 1898.*
Loans and discounts	$47,972,553	$50,432,769	$50,131,655	$1,999,048	$2,285,531	$2,272,000	$38,025,783	$36,064,066	$35,074,948
Overdrafts	47,831	45,130	56,302	20,897	5,784	7,858	64,595	24,620	40,942
U. S. bonds to secure circulation	5,130,250	5,430,250	5,705,250	150,000	150,000	150,000	1,310,000	1,810,000	2,310,000
U. S. bonds to secure U. S. deposits	200,000	200,000	500,000	50,000	50,000	50,000	540,000	540,000	540,000
U. S. bonds on hand	120,400	775,400	802,100	......	......	......	75,000	154,000	75,000
Premiums on U. S. bonds	491,177	733,030	753,099	......	......	......	176,718	192,768	222,276
Stocks, securities, etc	4,176,849	4,289,518	4,451,959	12,000	14,400	14,400	2,373,975	2,386,696	2,631,886
Banking house, furniture and fixtures	3,559,789	3,606,738	3,663,703	72,000	72,000	72,000	932,000	930,000	923,000
Other real estate and mortgages owned	477,557	509,042	511,587	......	......	......	264,195	266,236	236,553
Due from National banks (not reserve agents)	3,710,020	2,061,562	2,504,817	482,467	336,099	350,253	15,016,458	6,949,831	7,273,241
Due from State banks and bankers	847,092	245,673	282,395	94,833	133,145	85,584	1,739,001	1,260,476	1,246,816
Due from approved reserve agents	9,023,766	4,794,517	5,863,260	1,063,000	952,336	1,065,283	......	......	......
Checks and other cash items	220,379	355,125	339,591	19,987	18,711	100,721	73,557	71,151	78,786
Exchanges for clearing-house	3,225,259	2,430,457	2,097,664	32,816	175,883	109,807	1,404,815	1,357,545	1,139,029
Bills of other National banks	345,706	294,586	337,256	6,475	10,165	11,675	328,162	338,068	264,631
Fractional paper currency, nickels and cents	15,888	19,640	16,916	552	782	480	2,420	2,551	2,268
*Lawful money reserve in bank, viz.:									
Gold coin	3,407,926	3,517,083	3,571,667	71,577	92,252	132,052	1,214,828	1,419,683	2,366,820
Gold Treasury certificates	406,400	401,380	422,870	8,460	12,880	10,660	240,210	242,170	243,440
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	181,083	214,594	205,336	10,128	13,557	8,577	32,674	17,998	21,898
Silver Treasury certificates	943,211	1,160,706	1,156,972	83,884	112,969	95,254	1,230,010	1,617,410	1,780,795
Silver fractional coin	133,174	102,528	115,748	5,036	4,633	4,884	19,498	16,244	17,060
Legal-tender notes	2,570,936	3,047,770	2,745,952	159,761	218,514	202,019	4,020,010	5,468,691	2,948,672
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	1,730,000	2,400,000	1,910,000
Five per cent. redemption fund with Treas.	230,436	243,211	255,641	6,750	6,750	6,750	81,450	81,450	108,950
Due from U. S. Treasurer	37,892	33,431	123,132	3,997	1,000	800	......	2	108,502
Total	$86,975,580	$84,946,145	$86,114,879	$4,356,623	$4,667,345	$4,751,113	$66,383,864	$63,631,649	$61,545,519
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	9,898,400	9,798,400	9,812,000	104,000	105,500	105,500	1,710,000	1,710,000	1,723,000
Undiv. profits, less expenses and taxes paid	1,815,615	2,000,457	1,966,983	43,540	60,026	23,810	722,543	838,187	825,188
National bank notes issued, less am't on hand	4,561,822	4,827,680	5,087,980	135,000	135,000	135,000	1,574,095	1,617,167	2,040,897
Due to other National banks	8,678,192	8,691,683	7,989,634	472,101	571,552	583,573	19,521,696	17,813,680	16,261,862
Due to State banks and bankers	3,099,405	2,802,167	2,712,348	1,058,969	1,217,524	1,342,878	11,845,547	10,347,436	9,413,496
Dividends unpaid	56,675	124,967	118,712	4	4	......	2,276	41,460	5,759
Individual deposits	46,353,816	43,824,977	45,500,747	2,148,575	2,178,706	2,161,306	22,580,906	22,781,683	22,266,583
U. S. deposits	106,862	120,838	418,494	48,884	49,031	49,018	525,000	549,838	572,931
Deposits of U. S. disbursing officers	94,444	80,620	86,378	528	......	25	......	......	......
Notes and bills rediscounted	......	879,358	96,600	......	......	......	......	......	......
Bills payable	......	......	80,000	......	......	......	......	......	......
Liabilities other than those above stated	15,845	......	......	......	......	......	1,800	32,200	35,800
Total	$86,975,580	$84,946,145	$86,114,879	$4,356,623	$4,667,345	$4,751,113	$66,383,864	$63,631,649	$61,545,519
Average reserve held	32.29 p. c.	26.64 p. c.	27.79 p. c.	45.42 p. c.	40.06 p. c.	42.62 p. c.	24.18 p. c.	27.39 p. c.	24.34 p. c.
*Total lawful money reserve	$7,642,730	$8,444,058	$8,218,545	$341,796	$454,806	$453,447	$8,486,730	$11,182,146	$9,288,686

RESOURCES.	ST. PAUL, MINN. Feb. 18, 1898.	ST. PAUL, MINN. May 5, 1898.	ST. PAUL, MINN. July 14, 1898.	SAN FRANCISCO, CAL. Feb. 18, 1898.	SAN FRANCISCO, CAL. May 5, 1898.	SAN FRANCISCO, CAL. July 14, 1898.	SAVANNAH, GA. Feb. 18, 1898.	SAVANNAH, GA. May 5, 1898.	SAVANNAH, GA. July 14, 1898.
Loans and discounts	$10,352,501	$10,314,406	$9,567,578	$12,332,857	$13,278,223	$13,825,689	$1,250,397	$1,477,636	$1,321,007
Overdrafts	1,990	4,775	4,958	163,857	181,265	94,520	402	2,823	382
U. S. bonds to secure circulation	252,006	252,000	252,000	400,000	700,000	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	770,000	......	......	......
Premiums on U. S. bonds	......	......	......	227,106	212,816	188,720	10,650	10,400	10,400
Stocks, securities, etc.	1,894,403	1,745,190	1,785,762	1,328,558	1,445,604	1,570,150	44,675	44,428	30,865
Banking house, furniture and fixtures	698,218	698,758	698,758	355,067	355,097	355,097	67,312	67,312	67,312
Other real estate and mortgages owned	85,088	87,883	97,722	141,705	141,524	131,141	16,067	16,134	16,403
Due from National banks (not reserve agents)	675,170	958,147	1,029,357	792,904	984,996	428,854	156,093	46,349	40,316
Due from State banks and bankers	138,818	241,065	160,034	1,132,788	1,366,650	1,590,497	13,541	22,629	23,184
Due from approved reserve agents	3,806,981	2,580,194	3,328,113	896,823	1,274,984	701,266	143,319	52,644	70,481
Checks and other cash items	37,898	99,467	86,683	8,724	9,698	12,090	675	424	826
Exchanges for clearing-house	162,572	300,680	249,473	335,690	471,414	421,441	51,694	22,511	58
Bills of other National banks	83,670	202,155	130,729	9,155	14,860	6,260	14,500	20,691	14,000
Fractional paper currency, nickels and cents	2,501	2,466	2,345	485	810	875	559	746	1,491
*Lawful money reserve in bank, viz.:									
Gold coin	1,630,554	1,620,528	1,780,145	5,066,047	4,691,562	6,216,065	2,000	12,000	9,000
Gold Treasury certificates	......	......	10,500	345,000	345,000	345,000	3,000	3,000	3,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	115,900	146,500	128,838	41,754	30,171	55,477	41,500	36,000	18,000
Silver Treasury certificates	94,048	220,912	250,044	12,966	24,158	12,273	45,000	22,800	29,965
Silver fractional coin	54,603	58,198	49,872	48,220	32,111	48,189	18,700	12,600	17,700
Legal-tender notes	248,264	457,474	313,417	8,885	17,967	10,176	45,559	40,000	75,000
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	11,338	11,338	11,338	11,250	18,000	31,495	4,590	4,590	4,590
Due from U. S. Treasurer	34,101	46,431	108,121	8,700	12,800	1,600	2	2	1,002
Total	$20,855,630	$20,523,573	$20,520,794	$25,028,548	$26,639,716	$27,666,881	$2,122,167	$2,107,724	$1,941,936
LIABILITIES.									
Capital stock paid in	$3,800,000	$3,800,000	$3,800,000	$6,000,000	$6,000,000	$6,000,000	$750,000	$750,000	$750,000
Surplus fund	655,000	655,000	657,000	2,225,000	2,225,000	2,250,000	225,000	225,000	225,000
Undiv. profits, less expenses and taxes paid	764,393	770,412	770,420	210,262	379,786	220,024	51,704	66,056	48,646
National bank notes issued, less amt on hand	210,130	206,730	204,770	90,000	90,000	90,000	85,355	89,495	87,085
Due to other National banks	2,777,042	2,127,928	2,226,884	1,887,830	1,461,578	1,199,706	89,252	97,084	102,533
Due to State banks and bankers	2,454,450	2,410,402	2,219,961	2,986,530	4,210,473	3,227,306	193,823	185,191	108,397
Dividends unpaid	3,346	2,466	4,924	1,785	1,085	128,145	1,418	435	2,068
Individual deposits	9,785,469	10,047,578	10,181,087	11,463,678	12,108,322	14,380,385	536,518	487,853	511,556
U. S. deposits	175,137	249,851	196,946	163,461	163,470	171,812	29,395	38,712	82,298
Deposits of U. S. disbursing officers	230,660	178,206	258,879	......	......	......	59,706	51,727	54,350
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	75,000	......	......	......	......	100,000	150,000	25,000
Liabilities other than those above stated	......	......	......	......	......	......	......	16,218	......
Total	$20,855,630	$20,523,573	$20,520,794	$25,028,548	$26,639,716	$27,666,881	$2,122,167	$2,107,724	$1,941,936
Average reserve held	41.50 p. c.	38.27 p. c.	43.44 p. c.	45.18 p. c.	42.65 p. c.	44.54 p. c.	45.08 p. c.	26.29 p. c.	30.57 p. c.
* Total lawful money reserve	$2,143,370	$2,503,612	$2,532,816	$5,522,873	$5,150,970	$6,687,180	$155,759	$126,400	$147,665

	WASHINGTON, D. C.			THE UNITED STATES.		
	Feb. 18, 1898.	*May 5, 1898.*	*July 14, 1898.*	*Feb. 18, 1898.*	*May 5, 1898.*	*July 14, 1898.*
RESOURCES.						
Loans and discounts	$9,286,387	$9,510,626	$9,779,587	$2,138,078,280	$2,097,094,235	$2,151,757,655
Overdrafts	8,248	7,411	13,876	14,098,400	12,679,151	11,924,282
U. S. bonds to secure circulation	960,400	960,400	960,400	212,425,300	216,158,800	218,106,450
U. S. bonds to secure U. S. deposits	100,000	100,000	200,000	84,760,500	28,630,500	53,519,100
U. S. bonds on hand	253,400	271,850	247,450	13,184,500	16,365,000	13,731,850
Premiums on U. S. bonds	106,445	110,480	117,233	17,789,744	18,271,547	18,947,195
Stocks, securities, etc	968,618	967,023	987,829	230,346,748	236,025,116	250,689,875
Banking house, furniture and fixtures	940,197	940,197	944,291	78,894,056	79,463,235	79,808,604
Other real estate and mortgages owned	55,421	57,986	59,450	30,119,511	30,326,045	30,186,270
Due from National banks (not reserve agents)	1,109,103	1,192,705	931,011	170,808,109	152,372,153	161,138,722
Due from State banks and bankers	369,022	632,912	264,084	48,098,430	45,468,995	43,248,800
Due from approved reserve agents	2,775,588	2,160,586	2,366,759	360,277,020	300,961,618	320,015,035
Checks and other cash items	141,214	150,799	131,164	13,100,061	16,719,376	17,808,976
Exchanges for clearing-house	149,179	214,741	166,040	113,590,539	126,234,963	94,276,408
Bills of other National banks	6,595	3,670	6,636	18,600,745	21,838,292	20,811,692
Fractional paper currency, nickels and cents	7,296	7,783	7,612	1,040,901	1,057,060	1,096,904
*Lawful money reserve in bank, viz.:						
Gold coin	429,720	395,836	557,824	125,710,166	181,061,263	182,888,097
Gold Treasury certificates	577,610	574,580	568,020	18,062,350	18,230,690	18,457,340
Gold clearing-house certificates	......	......	......	79,083,000	118,833,000	133,576,000
Silver dollars	11,056	9,184	11,652	7,459,428	8,100,544	7,968,587
Silver Treasury certificates	1,223,250	1,877,897	1,084,465	84,964,239	85,316,796	86,458,014
Silver fractional coin	30,884	38,876	28,176	6,098,741	6,120,479	6,334,152
Legal-tender notes	498,165	803,556	717,180	120,265,185	119,058,681	114,914,997
U. S. certificates of deposit for legal-tender notes	30,000	660,000	120,000	49,250,000	23,975,000	20,885,000
Five per cent. redemption fund with Treasurer	38,717	38,717	38,717	9,315,860	9,520,580	9,601,066
Due from U. S. Treasurer	.....	5,950	117,140	1,535,292	1,064,313	11,033,427
Total	$20,090,517	$21,693,172	$20,426,052	$3,946,947,114	$3,869,966,858	$3,977,675,445
LIABILITIES.						
Capital stock paid in	$2,775,000	$2,775,000	$2,775,000	$628,890,320	$624,471,670	$622,016,745
Surplus fund	1,216,000	1,216,000	1,217,200	248,484,530	247,695,979	247,935,215
Undivided profits, less expenses and taxes paid	226,438	285,418	287,520	86,143,789	90,320,999	85,036,427
National bank notes issued, less amount on hand	762,875	760,705	755,765	184,106,322	188,425,308	189,866,298
State bank notes outstanding	......	......	......	56,018	56,017	56,007
Due to other National banks	370,053	298,840	468,170	504,960,175	424,204,634	467,634,068
Due to State banks and bankers	267,489	311,819	387,491	259,972,293	245,643,049	252,182,778
Dividends unpaid	4,438	3,755	7,329	1,071,997	2,000,238	2,704,832
Individual deposits	14,366,038	15,938,207	14,323,146	1,982,660,933	1,999,308,438	2,023,357,159
U. S. deposits	79,942	82,649	153,406	27,562,931	23,095,935	48,061,038
Deposits of U. S. disbursing officers	22,241	20,777	51,022	3,870,835	3,928,661	4,788,877
Notes and bills rediscounted	......	......	......	2,681,072	4,467,622	5,364,952
Bills payable	......	......	......	5,579,549	9,288,156	9,283,285
Liabilities other than those above stated	......	......	......	10,886,344	7,060,145	19,368,262
Total	$20,090,517	$21,693,172	$20,426,052	$3,946,947,114	$3,869,966,858	$3,977,675,445
Average reserve held	39.22 p. c.	41.44 p. c.	38.24 p. c.	33.23 p. c.	32.63 p. c.	32.19 p. c.
* Total lawful money reserve	$2,800,686	$4,359,429	$3,086,817	$440,893,110	$460,216,453	$470,977,127

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, October 4, 1898.

DEARER MONEY AND CONTRACTION OF THE CURRENCY BY THE TREASURY were the important influences of the month, at least as far as speculation was concerned. Call money at six per cent. has not been of frequent occurrence of late, and it is not surprising that a rise from one to one and a half per cent. to four and six per cent. should have caused speculators on a narrow margin to feel some uneasiness.

On the other hand there has been a sensible contraction of the currency through the operations of the United States Treasury that has reawakened public attention to the power for evil that is lodged in our present system of Government finance, a system which after fifty years' trial is as unsatisfactory as when first introduced and even more so.

What is known as the sub-Treasury system has come in for considerable criticism and the spectacle of the Government taking millions of dollars out of circulation and locking them up in Treasury vaults has called attention to the fact that not alone a gold standard, or the retirement of legal-tender notes, is the solution of our financial ills, but beside this there should be an abandonment of the hoarding of Treasury surpluses.

In less than three months the Treasury has increased its cash balance from about $200,000,000 to about $312,000,000. Here would be $112,000,000 withdrawn from the circulating medium of the country but for the fact that the Secretary of the Treasury has increased the Government deposits in the National banks some $35,000,000 during the time. This leaves, however, $77,000,000 of cash taken out of circulation by the Government in three months. Exports of that much gold in so short a time would have under ordinary circumstances precipitated a panic.

While not of great importance at this time, the supply of gold being so enormous, it is a fact that the net increase in cash held in the United States Treasury is represented entirely by gold, the net gold in the Treasury having increased from $166,000,000 to $243,000,000 in three months.

The Secretary of the Treasury has done what he could to prevent contraction of the currency, but his authority is so limited that there is little that he can do. The deposits in the National banks are limited by the ability of these institutions to deposit bonds to secure the public funds. Since May last the Government deposits in National banks have been increased from $23,000,000 to nearly $80,700,000. A year ago they were only about $12,000,000. Never before did these deposits reach as much as $60,000,000 except during the refunding operations in 1879, when in the spring of that year the temporary deposits reached nearly $303,500,000.

The Secretary tried to give further relief to the situation by offers to redeem, in September, the Pacific Railroad bonds maturing on January 1 next. There are $14,000,000 of the bonds and up to the close of September about $1,000,000 were presented for redemption. This month the Secretary will anticipate interest falling due November 1 paying part on October 10 and the remainder on October 20. Even these measures will prove impotent if the Government is to collect revenues largely in excess of its disbursements.

War expenditures are not yet ended, but it is estimated that the new revenue law will produce from $100,000,000 to $140,000,000 a year. The internal revenue receipts in the last three months were $29,000,000 greater than in 1897, which would indicate an increase of $116,000,000 a year. Customs receipts are slightly larger than in previous years; so even with war expenditures somewhat enlarged as compared with former years, the Government may before long be accumulating a surplus, which added to a present balance of more than $300,000,000, will bring about the old combination of Washington and Wall Street and resurrect the old cry for help whenever speculators get caught long of stocks and short of money.

It is about six years since the Government has been in receipt of a substantial surplus, and during that period the Treasury has had to call for help instead of being called upon to furnish financial aid to the people. But there was a time when the situation was very different, when the Treasury in a month would take in $10,000,000 or $15,000,000 more money than it had any use for and which sometimes was sadly needed in the banks or in the hands of the people.

When the Government had bonds outstanding that it could call in and redeem at par, there was no difficulty in disposing of the surplus, but when those bonds were all retired it became necessary to purchase bonds that were not redeemable and pay a premium thereon. This the Government did in 1867 when it had a surplus of $116,000,000, and paid off $84,000,000 of bonds, paying a premium of nearly $11,000,000. In the three years 1870–72 the surplus revenues were $287,000,000, and the Government paid off $347,000,000 of bonds, paying a premium of about $32,000,000.

In the following table we show the ordinary receipts and disbursements, the surplus and decrease in bonded and net debt each year during the period from 1880 to 1891 inclusive:

YEAR ENDED JUNE 30.	*Revenues.*	*Expenses.*	*Surplus.*	*Decrease in bonded debt.*	*Decrease in net debt.*
1880	$333,526,611	$264,847,637	$68,678,974	$73,650,600	$77,088,158
1881	360,782,293	259,651,639	101,130,654	84,425,350	99,676,593
1882	403,525,250	257,981,440	145,543,810	175,757,350	144,626,680
1883	398,287,582	265,408,138	132,879,444	125,581,250	136,241,649
1884	348,519,870	244,126,244	104,393,626	111,665,300	100,238,830
1885	323,690,706	260,226,935	63,463,771	80,412,900	63,190,552
1886	336,439,727	242,483,138	93,956,589	50,136,850	93,206,603
1887	371,463,278	267,932,180	103,471,098	124,321,750	106,977,165
1888	379,266,075	259,653,959	119,612,116	71,169,850	112,163,781
1889	387,050,059	281,996,616	105,053,443	120,668,510	87,065,144
1890	403,080,983	297,736,487	105,344,496	104,540,880	85,155,380
1891	392,612,447	355,372,685	37,239,762	114,783,990	38,871,619

There is no question that the period included in the above table was the most eventful in national debt-paying that this or any other country ever experienced. In 1880 and 1881 the Government paid nearly $4,000,000 in premiums on debt redeemed and in 1888 to 1891 inclusive it paid $56,000,000. That was the cost of redeeming bonds that had not matured.

At present the Government has only about $25,000,000 of bonds outstanding that are redeemable at par. No other bonds become payable until February, 1, 1904; then the $100,000,000 five per cent. bonds issued during Mr. Cleveland's Administration fall due. The next to become due are about $560,000,000 four per cents due July 1, 1907. If then the Government is to have a surplus the only disposition that can be made of it is to buy bonds on such terms as the holders are willing to accept.

There is, however, a very hopeful sentiment regarding the financial situation. The renewal of gold imports has had a very favorable influence. Then the evidence that the silver issue is being dropped in political circles is very encouraging. A gold Congress elected next month would greatly stimulate confidence, and a continuance of our great export movement seems to be assured.

Now that the Government has distributed to the purchasers most of the new three per cent. bonds the evidence is coming forward as to the real investor in the "popular loan." At the close of the month about $140,000,000 of the bonds had been delivered by the Treasury and about $44,000,000, or nearly one-third of them, have been returned to the Treasury by National banks to be held as security either for circulation or for public deposits. That this would be the fate of a large proportion of the bonds was the opinion of experienced financiers and of Treasury officials, but the demand for a popular loan was so fierce that there was nothing to do but to try the experiment, a costly one indeed for the Government, as the bonds are now commanding a premium of five per cent. and over. Five per cent. on $200,000,000 of bonds sold would have netted the Treasury a premium of $10,000,000.

The new issue of bonds will have one important result, however, for the banks are already increasing their circulation, the increase in September being about $8,000,000. The banks to some extent are substituting the new bonds for older issues in order to gain the advantage of the lower premium, but are also increasing the total deposits of bonds to secure circulation.

As to the general business situation the conditions are in the main very favorable. The volume of business as reflected by bank clearings is heavy, although the total exchanges in September were about two per cent. less than in the same month last year. With that exception the clearings last month were larger than in any previous September.

The production of pig iron, which had been declining since May 1, began to increase in August and on September 1 the weekly capacity of the furnaces in blast was 213,043 tons as against 206,777 on August 1. Stocks have steadily declined since May 1, and on September 1 were only 688,382 tons as against 841,524 tons on the former date. The consumption is therefore keeping pace with the production although the latter is of extraordinary volume. There has been little change in prices, but steel rail producers are trying to arrange an agreement for an advance.

The price of wheat made an advance during the month after being weak, but closed one and a half cents a bushel lower than a month ago and twenty-two cents lower than it was on September 30 last year. Wheat growers in the Northwest are holding their grain for better prices, which has kept down the movement by rail and to some extent affected railroad earnings. Corn is a fraction of a cent lower than it was a month ago, but is two cents a bushel higher than it was a year ago.

Cotton is still the weakest of the staple products and the price on September 26 fell to the lowest point ever recorded, 5 5-16, and on September 30 was only a fraction higher, 5 7-16, or more than one cent lower than it was a year ago. Over-production with disturbing conditions embarrassing cotton manufacturing have depressed the price of cotton. As estimated by the "Financial Chronicle" the crop last year was 11,180,960 bales with an average weight per bale of 506.88 pounds. With the exception of the crop of 1894 the average weight was the highest ever recorded while the number of bales was by far the largest ever known. The next largest crop was in 1894, but that crop was only 9,892,766 bales. This year's crop can not be accurately estimated yet; the yield is probably less than last year's, but still will make a large crop.

The Stock Exchange does not always reflect the general situation, although fears as to a tight money market with some disquieting reports concerning certain "industrial" stocks, were legitimate reasons for some of the serious breaks in the stock market last month. There was a decrease in activity at the Stock Exchange, only about 9,400,000 shares of stock being traded in as compared with 12,000,000 shares in August and 13,000,000 shares in September of last year. The sales of bonds amounted to $53,000,000 as compared with $99,000,000 in August last, and nearly $69,000,000 in September, 1897. A number of stocks suffered declines of five to eight per cent., but the most serious fall was in American Sugar and American Tobacco stock. The former declined from 145¾ to 116½, or 29¼ per cent. in less than three weeks and fell as much as ten per cent. in two days. American Tobacco was a good second, scoring a decline of 28¾ per cent., the price falling from 153¾ on September 19 to 125 on September 29. It dropped as much as fifteen per cent. in two days.

The statistics of commercial failures present a very encouraging survey of the business situation. As reported by "Bradstreet's" the failures in the third quarter of the year were the smallest for any corresponding quarter in at least six years, while but for the failure of one large concern doing a loan and trust business the aggregate liabilities would be the smallest since 1893. For the nine months of the year the failures were ten per cent. less than in 1897, and twenty-one per cent. less than in 1896 and the smallest since 1890, except 1892. The failures for the nine months of each of the last eight years are reported by "Bradstreet's" as follows:

YEAR.	*Number of failures.*	*Actual assets.*	*Liabilities.*	*Per cent. assets to liabilities.*
1891	8,866	$71,811,820	$138,811,510	51
1892	7,378	39,209,701	76,971,771	51
1893	11,140	227,373,231	327,275,109	70
1894	9,251	59,707,061	110,674,934	54
1895	9,299	61,162,107	109,756,723	56
1896	11,280	99,613,765	171,350,292	58
1897	9,833	65,454,923	118,484,659	55
1898	8,855	52,742,809	102,197,887	51

NATIONAL BANKS OF THE UNITED STATES.—The completed returns of the National banks showing their condition on July 14, 1898, have been summarized by the Comptroller of the Currency. They show a decrease of four in the number of banks since the report of May 5, making a decrease of 248 since May 4, 1893. There was also a reduction of nearly $2,500,000 in capital, making a decrease of $10,000,000 in the past year and of $30,000,000 in the last two years. The individual deposits have increased more than $24,000,000 and are nearly $253,000,000 in excess of what they were a year ago. For the first time these deposits exceed $2,000,000,000. Government deposits, which last October were only about $12,000,000, had increased to $48,000,000 on July 14. They have increased since the latter date about $30,000,000. The amount due to National banks and State banks and bankers increased nearly $50,000,000, making the increase in all deposits about $100,000,000 in about two and a half months and $412,000,000 in the past year. The deposits due other banks held by the New York city National banks have increased $34,000,000 since May and now amount to $307,000,000 or within $27,000,000 of the total last February before the heavy drain upon our banks began under the influence of the war scare.

CONDITION OF THE NATIONAL BANKS OF THE UNITED STATES.

	Capital.	*Surplus.*	*Individual deposits.*	*Gold.*	*Silver.*	*Legal tenders.*
July 14, 1896	$651,144,855	$248,368,423	$1,668,413,507	$161,853,560	$41,961,889	$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	247,839,567	1,639,688,393	181,020,260	44,520,448	156,973,612
Mar. 9, 1897	642,424,195	247,130,061	1,669,219,961	188,304,755	45,644,107	186,332,852
May 14, 1897	637,002,395	246,736,684	1,728,063,971	190,896,251	45,680,032	174,144,992
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	246,845,020	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	207,096,145	45,070,408	158,404,875
Feb. 18, 1898	628,890,320	248,484,530	1,982,660,963	222,855,517	48,522,409	169,515,185
May 5, 1898	624,471,670	247,695,979	1,999,308,439	267,644,954	49,537,819	143,033,681
July 14, 1898	622,016,745	247,935,215	2,023,357,159	284,921,377	50,755,753	135,299,997

BANK OF ENGLAND RATE OF DISCOUNT.—The prospect of another heavy gold movement to this country caused the Bank of England to take the usual precautionary measures employed when it is considered desirable to protect its own holdings. The price of gold bars was advanced, and the Bank appeared as a borrower in the open market, finally on September 22 advancing the rate of discount to three per cent. from 2½ per cent., the rate maintained since June 30. On that date, when the rate was reduced from three to 2½ per cent., the reserve was only 48.69 per cent. while on September 22, when the rate was advanced from 2½ to three per cent., the reserve was more than two per cent. higher, or 50.92 per cent. The changes in the Bank of England's discount rate during the past two years, with the reserve on the respective dates, are shown as follows:

BANK OF ENGLAND DISCOUNT RATES.

	Discount rate.	*Reserve per cent.*		*Discount rate.*	*Reserve per cent.*
September 10, 1896	2½	56.30	September 23, 1897	2½	50.10
September 24, 1896	3	55.14	October 14, 1897	3	48.71
October 22, 1896	4	50.56	April 7, 1898	4	37.25
January 21, 1897	3½	52.15	May 26, 1898	3½	47.74
February 4, 1897	3	52.45	June 2, 1898	3	47.97
April 8, 1897	2½	52.31	June 30, 1898	2½	48.69
May 13, 1897	2	51.40	September 22, 1898	3	50.92

The question of exceptional interest to this country at present is the magnitude of the world's wheat crop this year, for upon that depends the price that the American wheat grower is to get for his product during the next ten months. The most comprehensive estimate yet made is by Mr. Broomhall, Editor of the "Liverpool Corn Trade News," who makes the total of the world's crop this year 2,607,000,000 bushels as compared with 2,270,700,000 in 1897, an increase of 336,300,000 bushels, and the largest crop ever produced. The reserves on August 1 are estimated at 112,000,000 bushels, making the total supply this year 2,719,000,000 bushels. In 1895 the yield was 2,420,100,000 bushels and reserves were 296,000,000 bushels making a total supply of 2,716,100,000 bushels, or about the same as this year. In 1894 the crop was 2,588,900,000 bushels, which with reserves of 328,000,000 bushels made the total supply 2,916,900,000 bushels. While therefore there is no danger of a famine, still the supply is not excessive and prices for wheat ought to be satisfactory to the producer.

THE MONEY MARKET.—Higher rates for money have ruled during the greater part of the month, but at no time did call money go above six per cent., while it frequently fell to two per cent. The Treasury operations in connection with the new loan disturbed the local money market to some extent, but the effect was not as serious as might have been expected, and now that the placing of the loan is practically completed the future disbursements of the Government will tend to give ease to the money market. Another factor operating in the same direction is the gold imports, which have assumed substantial proportions and may be expected to continue in considerable volume. While call money is ruling a little higher than a month ago, rates for time money on Stock Exchange collateral are slightly lower; commercial paper is in better demand and rates tend downward.

At the close of the month call money ruled at 2 to 6 per cent., the average rate being about 3¾ per cent. Banks and trust companies quote 4 per cent. as the minimum but some loans were made at 3½ per cent. Time money on Stock Exchange collateral was quoted at 3½ per cent. for 60 to 90 days, 3½ @ 4 per cent. for four months, and 4 per cent. for five to six months. For commercial paper the rates are 3¾ @ 4¼ 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 time to run.

MONEY RATES IN NEW YORK CITY.

	May 1.	*June 1.*	*July 1.*	*Aug. 1.*	*Sept. 1.*	*Oct. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	2¼—3½	1 —1¾	1 —1¼	1 —1½	2 —2½	3 —4
Call loans, banks and trust companies	4 —	1½—2	1½—	1½—	2½—	3½—4
Brokers' loans on collateral, 30 to 60 days	6 —	2¼—2½	2½—	2½—	2½ —3	3½—
Brokers' loans on collateral, 90 days to 4 months	6 —	3 —	2½—3	2½—3	3½—4	3½—4
Brokers' loans on collateral, 5 to 7 months	6 —	3½—	3 —3½	3 —3½	4 —	4 —
Commercial paper, endorsed bills receivable, 60 to 90 days	6 —	3¾—	3 —3½	3½—3¾	4 —	3¾—4¼
Commercial paper prime single names, 4 to 6 months	6½—7	4 —4½	3½—4	3¾—4¼	4 —5	4 —4½
Commercial paper, good single names, 4 to 6 months	7 —9	5 —6	4½—5½	4½—5½	5 —6	5 —6

NEW YORK CITY BANKS.—A decrease of nearly $60,000,000 in the deposits of the New York banks in four weeks is an unusual drain, yet that was the record for the four weeks from August 27 to September 24. In the same time loans were reduced about $30,000,000, but in the last week of September loans were further contracted about $6,600,000, while deposits increased about $1,400,000. The reserves of the banks are beginning to show the effect of the imports of gold, specie holdings having increased $7,400,000 since September 17. The Government has been supplying the banks with some currency and there has been a movement of currency from interior points to New York, so that the legal-tender reserve has been increasing slightly during the past three weeks. Not since September 2, 1893, have the banks shown a deficit in reserve, but on September 17 last the surplus was down to about $4,000,000, and it looked as though a deficit would be reported the following week; but the surplus has been growing since and is now more than $15,000,000.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Sept. 3...	$672,173,900	$148,378,300	$54,710,200	$752,389,800	$14,990,050	$14,080,500	$838,054,800
" 10...	665,395,200	137,766,500	52,285,800	731,902,100	7,076,775	14,117,200	670,077,600
" 17...	653,264,700	128,899,800	53,357,500	712,067,600	4,240,400	14,466,600	851,162,600
" 24...	642,162,300	129,646,600	53,794,600	700,753,300	8,252,875	14,974,000	814,737,600
Oct. 1...	635,572,800	136,314,400	54,544,800	702,128,200	15,827,150	15,498,400	774,094,900

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	35,720,800
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	696,006,400	53,704,600
July	499,046,900	20,328,275	604,983,700	41,384,875	750,074,600	62,013,550
August	485,014,000	17,728,600	623,045,000	45,720,150	741,680,100	41,904,475
September	451,934,800	8,836,200	636,996,000	39,517,700	752,389,800	14,990,050
October	454,733,100	16,526,025	619,353,200	15,550,400	702,128,200	15,827,150
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, $765,013,800, on August 20, 1898, loans, $672,173,900, on September 3, 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.
Sept. 3......	$60,002,300	$66,871,300	$3,571,800	$3,844,300	$8,138,900	$4,263,700	$3,100,875
" 10.....	60,259,000	67,732,100	3,486,200	3,841,100	9,280,000	3,992,200	3,666,475
" 17......	61,598,400	68,082,100	3,421,700	4,149,700	8,442,400	3,680,100	2,623,375
" 24......	63,071,600	68,714,700	3,404,900	4,097,000	8,108,800	2,989,500	1,371,525
Oct. 1......	63,368,800	67,440,500	3,385,700	3,889,500	7,762,700	2,494,300	672,075

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.
Sept. 3........	$187,092,000	$196,376,000	$16,767,000	$4,672,000	$6,192,000	$95,197,000
" 10........	187,196,000	195,085,000	16,690,000	4,610,000	6,206,000	86,289,600
" 17........	187,089,000	195,713,000	17,496,000	5,592,000	6,252,000	96,420,900
" 24........	188,431,000	194,777,000	16,885,000	6,498,000	6,093,000	95,368,800
Oct. 1........	189,466,000	195,518,000	17,024,000	6,379,000	6,096,000	92,455,500

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Sept. 3..................	$120,196,000	$133,359,000	$39,471,000	$5,928,000	$69,750,006
" 10..................	121,296,000	131,841,000	36,764,000	5,945,000	52,284,000
" 17..................	122,636,000	133,838,000	36,968,000	5,931,000	66,875,100
" 24..................	123,630,000	133,957,000	37,147,000	5,938,000	65,738,700
Oct. 1..................	124,165,000	134,937,000	36,849,000	5,928,000	66,308,200

European Banks.—The Bank of England has been a heavy loser of gold during the past month, more than $9,000,000 net having been withdrawn since September 1. Most of the gold taken out was for shipment to the United States. The Bank holds about $7,000,000 less gold than it did a year ago, but is better off in that respect than the Bank of France, which has lost $25,000,000 gold as compared with a year ago. It lost about $3,000,000 last month, and the Bank of Germany $7,500,000, but the latter Bank has $14,000,000 more than at this time last year.

Gold and Silver in the European Banks.

	January 1, 1898.		September 1, 1898.		October 1, 1898.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England............	£30,453,493	....	£35,003,218	....	£33,176,964	....
France..............	78,114,972	£48,230,367	75,367,986	£49,860,894	74,699,418	£49,706,820
Germany............	29,316,000	15,102,000	29,205,000	15,075,000	27,743,000	14,291,000
Austro-Hungary...	36,475,000	12,334,000	34,998,000	12,028,000	35,234,000	12,576,000
Spain................	9,431,000	10,300,000	10,514,000	5,483,000	10,823,000	5,857,000
Netherlands........	2,629,000	6,820,000	4,309,000	6,877,000	4,315,000	6,794,000
Nat. Belgium.......	2,824,009	1,412,000	2,853,000	1,427,000	2,840,000	1,420,000
Totals...........	£189,243,465	£94,198,367	£192,310,204	£90,750,894	£188,831,382	£90,144,820

Money Rates Abroad.—Rates for money in the European markets have been advancing and the renewal of gold imports to the United States has had a s iffening effect upon rates in London and Paris. On September 22 the Bank of England advanced its rate of discount to three per cent. The old rate was 2½ per cent. made on June 30 last. The Bank of France rate is still two per cent. Discounts of sixty to ninety day bills in London at the close of the month were 2½ @ 2⅝ per cent. against 1⅞ per cent. a month ago. The open rate at Paris was 1⅞ per cent. against 1¾ @ 1⅞ per cent. a month ago, and at Berlin and Frankfort 3⅞ @ 4 per cent. against 3¼ @ 3⅜ per cent. a month ago.

MONEY RATES IN FOREIGN MARKETS.

	Apr. 1.	Apr. 29.	June 10.	July 8.	Aug. 19.	Sept. 16.
London—Bank rate of discount	3	4	3	2½	2½	2½
Market rates of discount:						
60 days bankers' drafts	2⅞	3⅛—5/16	1⅜—7/16	1⅛	1 1/16	1⅞
6 months bankers' drafts	2⅞	3½—⅝	1⅞—2	2	2⅜	2½
Loans—Day to day	2	2½	1	½	1	1½
Paris, open market rates	1⅞	2	1¾	1¾	1¾	1 11/16
Berlin, "	2¾	3¼	3½	3⅝	3¼	3⅝
Hamburg, "	2¾	3⅜	3½	3⅝	3¼	3¾
Frankfort, "	2⅝	3¾	3½	3⅝	3¼	3⅞
Amsterdam, "	2⅝	2⅞	2½	2½	2¼	2
Vienna, "	3⅝	4	3⅞	3⅞	3⅞	4
St. Petersburg, "	4¾	4¾	5¼	5	4½	4
Madrid, "	4	5	5	5	5	5
Copenhagen, "	4	4	4½	4½	3½	3½

FOREIGN EXCHANGE.—The sterling exchange market was weak during the greater part of the month although becoming stronger in the last week. The later strength of the market was due to the higher rates for money in London and a demand for bills to cover the gold imports, which have amounted to about $17,000,000 since the movement began late in August. Considerable more gold is on the way. At the close of the month sterling rates were slightly above the gold importing point but engagements for gold shipments to New York were still being reported.

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.
Sept. 3	4.82¾ @ 4.83	4.84¾ @ 4.85	4.85¼ @ 4.85½	4.82¼ @ 4.82½	4.81¾ @ 4.82¼
" 10	4.82¼ @ 4.82½	4.84¼ @ 4.84½	4.84¾ @ 4.85	4.81¾ @ 4.82	4.81¼ @ 4.81¾
" 17	4.81¾ @ 4.82	4.84 @ 4.84¼	4.84½ @ 4.84¾	4.81¼ @ 4.81½	4.80¾ @ 4.81¼
" 24	4.81 @ 4.81½	4.83¾ @ 4.84	4.84¼ @ 4.84½	4.80½ @ 4.81	4.80¼ @ 4.81
Oct. 1	4.81½ @ 4.81¾	4.84 @ 4.84¼	4.84½ @ 4.84¾	4.81 @ 4.81¼	4.80½ @ 4.81¼

NATIONAL BANK CIRCULATION.—There was an increase of $8,178,335 in bank note circulation last month, all of it represented by Government bonds. The amount of bonds deposited to secure circulation was increased nearly $9,500,000, while

NATIONAL BANK CIRCULATION.

	June 30, 1898.	July 31, 1898.	Aug. 31, 1898.	Sept. 30, 1898.
Total amount outstanding	$227,816,702	$226,696,870	$227,178,615	$235,356,950
Circulation based on U. S. bonds	197,078,092	195,692,685	197,839,965	205,056,063
Circulation secured by lawful money	30,738,610	31,004,185	30,402,911	30,300,887
U. S. bonds to secure circulation:				
Pacific RR. bonds, 6 per cent	3,665,000	3,665,000	3,106,000	3,206,000
Funded loan of 1891, 2 per cent	22,260,500	22,104,250	22,005,750	21,730,150
" " 1907, 4 per cent	147,728,600	147,304,100	145,885,600	142,640,700
Five per cents. of 1894	18,341,150	17,906,150	17,461,400	17,219,900
Four per cents. of 1895	28,206,150	27,546,150	26,218,650	24,967,150
Three per cents. of 1898	....	....	6,878,760	20,176,220
Total	$220,201,400	$218,525,650	$220,496,160	$229,960,120

The National banks have also on deposit the following bonds to secure public deposits: Pacific Railroad 6 per cents., $477,000; 2 per cents of 1891, $1,784,500; 4 per cents of 1907, $22,772,000; 5 per cents. of 1894, $7,682,000; 4 per cents. of 1895, $10,277,500; 3 per cents. of 1898, $25,518,120; a total of $68,461,120.

The circulation of National gold banks, not included in the above statement, is $83,085.

nearly $14,000,000 of the new three per cents. were deposited, the difference representing old bonds withdrawn.

GOLD AND SILVER COINAGE.—The United States Mints coined $7,385,315 gold, $2,178,389 silver, of which $830,075 was in standard dollars and $111,209 in minor coin—a total of $9,674,912.

SILVER.—The price of silver in London was strong during the entire month, India taking considerable of the metal while New York has been selling only moderately.. There was a net advance for the month of ⅝d., the price closing at 28¼d. per ounce as compared with 27⅝d. on August 31.

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Trade dollars	$ .55	......	Twenty marks	$4.74	$4.78
Mexican dollars	.47¼	$ .48⅛	Spanish doubloons	15.50	15.70
Peruvian soles, Chilian pesos..	.42	.44	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	3.84	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, 28¼d. per ounce. New York market for large commercial silver bars, 61⅛ @ 62c. Fine silver (Government assay), 61¼ @ 62⅛c.

FOREIGN TRADE.—The foreign trade movements continue to show a great preponderance of exports over imports. The exports of merchandise in August were the largest ever reported for that month and were $12,000,000 larger than in July and $3,800,000 more than in August last year. The imports of merchandise were $1,500,000 less than in July but more than $9,000,000 in excess of those of August last year. The excess of exports over imports was nearly $35,500,000 which is $5,500,000 less than for a year ago in August, but in excess of August of any previous year. We imported nearly $5,000,000 gold net in August, bringing the total of the eight months since Januury 1 up to nearly $92,500,000. The gold imports in September have increased the total to about $110,000,000, a showing for nine months never before equalled. There has been a remarkable falling off in silver exports of late and they were only about $900,000 in August. During the same month last year they were $2,100,000, and in 1896, $3,000,000. For the eight months ended August 31 the net exports of silver were only $14,500,000.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF AUGUST.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1893	$73,683,731	$58,641,185	Exp., $15,042,546	Imp., $40,622,529	Exp., $1,598,991
1894	60,776,147	51,697,072	" 9,079,075	Exp., 1,840,508	" 2,575,023
1895	55,980,619	71,111,943	Imp., 15,131,324	" 15,006,915	" 2,352,201
1896	68,601,006	49,468,190	Exp., 19,182,816	Imp., 2,816,994	" 3,021,846
1897	80,825,050	39,844,605	" 40,980,445	" 2,786,981	" 2,109,783
1898	84,608,774	49,178,844	" 35,420,930	" 4,866,119	" 902,868
EIGHT MONTHS.					
1893	531,195,075	579,024,760	Imp., 47,829,685	Exp., 15,559,965	Exp., 15,586,167
1894	517,819,601	452,942,344	Exp., 64,877,257	" 78,869,902	" 19,918,848
1895	499,387,403	535,737,819	Imp., 36,350,416	" 26,864,396	" 18,982,179
1896	580,930,792	471,232,299	Exp., 109,698,493	" 24,998,355	" 21,619,971
1897	641,697,330	546,325,777	" 95,371,553	" 20,655,005	" 17,227,563
1898	778,674,025	426,412,038	" 352,261,987	Imp., 92,408,718	" 14,467,834

GOVERNMENT REVENUES AND DISBURSEMENTS.—The ordinary disbursements of the Government were in excess of $54,000,000, or about $2,000,000 less than in August and $20,000,000 less than in July. In September a year ago they were only about $25,000,000. Nearly $32,000,000 of the expenditures last month were for war and navy, while a year ago they were only $7,000,000. The revenues were

$39,700,000, a decrease of $2,000,000 compared with August, the receipts from internal revenues probably having dropped to about their normal figure.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS. *Source.*	*September, 1898.*	*Since July 1, 1898.*	EXPENDITURES. *Source.*	*September, 1898.*	*Since July 1, 1898.*
Customs............	$16,759,574	$48,178,954	Civil and mis........	$6,398,964	$26,273,666
Internal revenue...	21,555,289	71,741,921	War...............	24,643,375	84,580,764
Miscellaneous.......	1,463,207	5,487,011	Navy	7,231,220	22,131,777
			Indians.............	1,162,510	2,598,463
Total.....	$39,778,070	$125,407,886	Pensions............	10,937,670	36,680,800
			Interest............	3,855,182	12,519,144
Excess of expenditures............	$14,445,851	$59,340,228	Total............	$54,223,921	$184,748,114

UNITED STATES TREASURY CASH RESOURCES.

	June 30.	*July 30.*	*August 31.*	*Sept. 30.*
Net gold......................................	$166,473,139	$189,803,578	$216,287,617	$243,471,722
Net silver....................................	10,904,100	13,909,103	10,381,908	7,870,723
U. S. notes....................................	33,606,769	46,630,137	54,130,487	38,629,880
Miscellaneous assets (less current liabilities).	*45,754,222	*46,938,754	*50,239,373	*59,021,181
Deposits in National banks..................	36,300,722	57,532,929	65,254,168	80,649,609
Available cash balance....................	$201,530,722	$260,936,993	$295,814,806	$311,600,754

* Excess of liabilities.

UNITED STATES PUBLIC DEBT.—About $68,000,000 more of the new three per cent. bonds have been distributed and now appear in the debt statement, but the net debt less cash in the Treasury shows an increase of only about $55,000,000 although the Government actually disbursed $14,000,000 more than its ordinary receipts last month. The statement is still disturbed by money received by the Government for the three per cent. bonds which have not yet been included in the liabilities.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1898.	*Aug. 1, 1898.*	*Sept. 1, 1898.*	*Oct. 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	559,646,700	559,646,850	559,646,900
Refunding certificates, 4 per cent......	44,220	41,130	41,030	40,980
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
Ten-Twenties of 1898, 3 per cent........	....	....	74,845,020	142,720,820
Total interest-bearing debt...........	$847,365,620	$847,367,730	$922,212,800	$990,088,600
Debt on which interest has ceased... ...	1,330,270	1,260,050	1,259,030	1,256,790
Debt bearing no interest:				
Legal tender and old demand notes.....	346,735,363	346,735,013	346,735,013	346,735,013
National bank note redemption acct..	32,268,146	30,677,676	30,266,206	30,072,331
Fractional currency....................	6,886,937	6,884,752	6,884,752	6,883,974
Total non-interest bearing debt......	$385,890,446	$384,297,441	$383,885,971	$383,691,318
Total interest and non-interest debt.	1,234,586,337	1,232,925,222	1,307,357,802	1,375,036,706
Certificates and notes offset by cash in the treasury:				
Gold certificates........................	38,128,149	37,287,149	37,119,149	36,990,799
Silver "	387,925,504	398,922,504	401,107,504	400,062,504
Certificates of deposit..................	44,555,000	23,075,000	20,560,000	18,455,000
Treasury notes of 1890	106,348,280	100,213,280	99,260,280	98,549,280
Total certificates and notes..........	$576,956,933	$559,497,933	$558,046,933	$554,057,583
Aggregate debt	1,811,543,270	1,792,423,155	1,865,404,735	1,929,094,291
Cash in the Treasury:				
Total cash assets	861,391,370	890,069,963	927,144,646	940,135,524
Demand liabilities.......................	625,916,601	635,225,748	632,657,562	632,578,021
Balance	$235,474,769	$254,844,215	$294,487,084	$307,557,503
Gold reserve..............................	100,000,000	100,000,000	100,000,000	100,000,000
Net cash balance.........................	135,474,769	154,844,215	194,487,084	207,557,503
Total	$235,474,769	$254,844,215	$294,487,084	$307,557,503
Total debt, less cash in the Treasury.	999,111,568	978,081,007	1,012,870,718	1,067,479,205

Money in Circulation in the United States.—There was an increase of nearly $24,500,000 in the volume of money in circulation last month, the largest increase being $19,000,000 in United States notes against which there was a decrease in currency certificates of $2,645,000. There was a decrease of $8,000,000 in gold coin and an increase of $8,900,000 in National bank notes with small increases in silver coin and certificates.

Money in Circulation in the United States.

	Jan. 1, 1898.	*Aug. 1, 1898.*	*Sept. 1, 1898.*	*Oct 1, 1898.*
Gold coin	$547,568,360	$645,246,054	$630,693,166	$622,649,812
Silver dollars	61,491,073	57,293,336	57,738,313	60,788,828
Subsidiary silver	65,720,308	63,994,457	64,759,523	66,587,940
Gold certificates	36,557,689	35,693,679	35,473,009	35,393,909
Silver certificates	376,695,592	389,119,436	392,990,378	393,425,735
Treasury notes, Act July 14, 1890	103,443,936	95,735,553	94,920,654	96,704,283
United States notes	262,480,927	278,084,187	272,395,581	291,660,165
Currency certificates, Act June 8, 1872	43,315,000	21,975,000	20,280,000	17,635,000
National bank notes	223,827,755	222,056,642	222,845,926	231,750,720
Total	$1,721,100,640	$1,809,198,344	$1,792,096,545	$1,816,596,392
Population of United States	73,725,000	74,856,000	74,790,000	74,925,000
Circulation per capita	$23.34	$24.23	$23.96	$24.24

Money in the United States Treasury.—The amount of money in the United States Treasury, less certificates outstanding, increased $1,700,000 last month. The gold increased more than $25,000,000 but in all other kinds of money there was a decrease.

Money in the United States Treasury.

	Jan. 1, 1898.	*Aug. 1, 1898.*	*Sept. 1, 1898.*	*Oct. 1, 1898.*
Gold coin	$151,910,176	$125,843,472	$148,201,497	$162,891,874
Gold bullion	45,559,060	99,294,921	105,175,997	116,299,578
Silver Dollars	394,327,049	405,013,186	406,266,209	404,045,769
Silver bullion	102,284,736	97,871,697	96,141,237	96,066,097
Subsidiary silver	10,679,899	11,995,083	10,993,449	9,196,708
United States notes	84,200,089	68,596,829	74,285,435	55,020,851
National bank notes	5,186,886	4,782,423	4,415,724	8,689,265
Total	$794,147,895	$813,338,611	$845,479,548	$846,710,142
Certificates and Treasury notes, 1890, outstanding	560,012,217	542,523,668	543,664,036	543,158,927
Net cash in Treasury	$234,135,678	$270,814,943	$301,815,512	$303,551,215

Supply of Money in the United States.—The stock of money in the country was increased $26,000,000 in September and is now nearly $165,000,000 more than on January 1. The supply of gold increased $17,000,000 during the month and $156,000,000 since January 1.

Supply of Money in the United States.

	Jan. 1, 1898.	*Aug. 1, 1898.*	*Sept. 1, 1898.*	*Oct. 1, 1898.*
Gold coin	$699,478,536	$771,089,526	$778,894,663	$785,041,686
Gold bullion	45,559,060	99,294,921	105,175,997	116,299,578
Silver dollars	455,818,122	462,306,522	464,004,522	464,834,597
Silver bullion	102,284,736	97,871,697	96,141,237	96,066,097
Subsidiary silver	76,400,207	75,989,540	75,752,972	75,784,648
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	229,014,641	226,780,065	227,261,650	235,439,965
Total	$1,955,236,318	$2,080,018,287	$2,093,912,057	$2,120,147,607

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 September, 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.		September, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	17	9⅛	18⅝—Feb. 7	10¼-Apr. 21	18⅞	12⅜	12⅜
" preferred	35¼	17	37½—Aug. 27	22⅞—Mar. 12	36¾	31⅛	32
Baltimore & Ohio	21⅛	9	45½—Sept. 19	12⅜—Jan. 25	45½	25¾	41½
Bay State Gas	16¾	3⅞	5⅛—Jan. 21	2⅝—Mar. 21	3⅝	3	3¼
Brooklyn Rapid Transit	37⅝	18⅝	69¾—Aug. 22	35 —Mar. 12	65⅛	57¼	62⅜
Canadian Pacific	82	46½	90½—Jan. 20	72 —Apr. 21	90	86½	86¾
Canada Southern	62⅛	44½	57⅜—Feb. 5	44½—Mar. 12	54	52½	53
Central of New Jersey	103¼	68¼	98¼—Jan. 7	86½—Mar. 26	94⅛	89¼	91¼
Central Pacific	18	7½	26¾—Sept. 23	11 —Apr. 23	26¾	21½	24½
Ches. & Ohio vtg. ctfs	27⅛	15⅝	26 —Aug. 17	17¼-Mar. 26	24⅛	22	22
Chicago & Alton	170	140	166⅞—Jan. 14	150 —Mar. 14	160	156	158
Chicago, Burl. & Quincy	102¼	69⅝	120 —Aug. 18	85⅞—Mar. 26	117¾	112¾	113⅝
Chicago & E. Illinois	61	37¼	66 —June 1	49 —Apr. 19	59	52	58
" preferred	103	95	113½—Feb. 1	102 —Jan. 7	108	106	106¼
Chicago Gas	108¾	73¼	....	....	....	....	....
Chicago, Great Western	20⅝	3⅝	18 —Aug. 22	9½—Feb. 24	16⅞	14⅛	14½
Chic., Indianapolis & Lou'ville	13	8	10⅜—Aug. 9	7 —Feb. 24	8¾	8⅛	8½
" preferred	33¼	26	38½—July 27	23 —Apr. 16	33	30	30
Chic., Milwaukee & St. Paul	102	69¼	115 —Sept. 8	83¼—Apr. 21	115	106	106⅛
" preferred	146	130½	159 - Aug. 22	140 —Apr. 25	157½	154	154
Chicago & Northwestern	132½	101¾	136⅞—Aug. 23	113¼—Mar. 12	134¾	129	129
" preferred	165½	153	175 —July 26	163 —Jan. 3	....	....	....
Chicago, Rock I. & Pacific	97¼	60¼	108⅜—June 1	80 —Mar. 25	105¼	99⅞	100¼
Chic., St. Paul, Minn. & Om	89½	47	87 —Aug. 17	65 —Mar. 12	84¼	78¾	79⅞
" preferred	150⅝	133	160 —Sept. 15	148 —Jan. 5	160	159⅞	160
Clev., Cin., Chic. & St. Louis	41½	21½	47½—Aug. 16	25 —Mar. 12	43	39¾	40
" preferred	86½	63	90½—Aug. 16	77½—Mar. 9	....	....	....
Col. Coal & Iron Devel. Co	2	⅜	⅞—Jan. 28	¼- Apr. 7	....	....	....
Col. Fuel & Iron Co	27⅞	15¾	26⅝—Jan. 11	17 —Mar. 12	23⅛	20	20¼
Col. Hocking Val. & Tol	18	1½	8¼—Feb. 10	4¾—July 30	6	5	5
" preferred	46	14	27½—Feb. 10	17 —Jan. 7	....	....	....
Consolidated Gas Co	241½	136½	205½—June 9	167 —Mar. 26	190	175½	175½
Delaware & Hud. Canal Co	123	99⅝	114½—Feb. 3	108 —July 16	108¾	105⅞	106½
Delaware, Lack. & Western	164	146½	159 —Feb. 5	144¼—Apr. 21	151	151	151
Denver & Rio Grande	14¾	9½	15½—Sept. 7	10 —Apr. 26	15½	13½	13½
" preferred	50½	36	58⅝—Sept. 6	40 —Apr. 21	58⅝	54⅝	54½
Edison Elec. Illum. Co., N. Y.	132½	101¾	135 —Jan. 20	119 —Apr. 8	131	131	131
Erie	19	11½	16¼—Feb. 4	11 —Apr. 21	14⅝	13⅜	13½
" 1st pref	46⅝	27	43⅜—Feb. 11	29¼—Apr. 22	38⅝	35	35
" 2d pref	25⅝	15½	21⅜—Feb. 11	15½—Apr. 22	18½	17⅞	18
Evansville & Terre Haute	34	20	34 —Sept. 26	22 —May 9	34	27	31½
Express Adams	165	147¼	180 —Feb. 10	97¼—Apr. 29	116	110	114
" American	119½	109½	140 —July 20	116 —Jan. 5	133	130	131
" United States	48	37	45 —Feb. 9	38 —Apr. 14	44	41¼	43
" Wells, Fargo	120	97	125 —Aug. 31	112½—May 5	125	120	125
Great Northern, preferred	141	120	180 —June 30	122 —July 1	138	133	135½
Illinois Central	110¾	91½	115 —Sept. 6	96 —Apr. 21	115	110½	110½
Iowa Central	13¾	6	10½—Aug. 22	7¼—Mar. 18	9¼	9	9
" preferred	41¾	23	37⅞—Aug. 16	25 —Apr. 28	36½	33	33¼
Laclede Gas	49¼	22	54⅜—Aug. 9	37½—Mar. 25	50¾	48½	48½
" preferred	96	70¼	96¼—Aug. 8	85 —Mar. 12	95	94	94
Lake Erie & Western	22½	13	23½—Aug. 22	12½—Mar. 14	18	16	16
" preferred	79⅞	58¼	83 —Aug. 19	66 —Mar. 14	76	73¼	73⅝
Lake Shore	181	152	198 —Aug. 4	170¾—Jan. 4	192½	192½	192½
Long Island	55	38	59½—Aug. 10	40 —Jan. 20	54	48	48
Louisville & Nashville	63⅞	40½	60½—Jan. 31	44 —Apr. 21	58¾	54¼	54⅜
Manhattan consol	118	81¾	120¼—Jan. 14	91 —Mar. 26	100⅝	93½	93¾
Metropolitan Street	133½	99¾	171½—Feb. 14	125¼—Mar. 26	159½	151½	157¼
Michigan Central	111⅞	90	114⅞—Feb. 8	99½—Mar. 12	107½	107½	107½
Minneapolis & St. Louis	31½	16	30⅞—Feb. 15	24 —Mar. 11	27¾	26	27
" 1st pref	90	77¾	91 —June 27	84 —May 14	89	89	89
" 2d pref	62¾	46	63 —June 8	46 —Mar. 26	60½	58	58
Missouri, Kan. & Tex	16⅞	10	14¼—Jan. 26	10 —Apr. 13	12	11	11
" preferred	42	24¾	41 —Jan. 28	28¾—Mar. 12	36	32	32

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	YEAR 1897.		HIGHEST AND LOWEST IN 1898.		SEPTEMBER, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	40¼	10	38⅝—Aug. 11	22 —Mar. 12	36¼	31⅜	32⅛
Mobile & Ohio	32	18	32½—Feb. 7	24¾—Apr. 19	28½	27½	28
N. Y. Cent. & Hudson River	115½	92½	120½—Aug. 8	105 —Mar. 26	119½	115½	115½
N. Y. Chicago & St. Louis	17⅝	11	15⅝—Jan. 31	11⅝—Mar. 14	14½	12½	12½
〃 1st preferred	81½	67⅝	76 —Jan. 31	65 —May 10	....	....	....
〃 2d preferred	43½	24	40¼—Jan. 29	28 —Mar. 25	34¾	34¼	34¼
N. Y., New Haven & Hartf'd.	186	160	196¼—Aug. 18	178¼—Jan. 7	194	190	192¾
N. Y., Ontario & Western	20½	12¾	18⅞—Feb. 2	13⅜—Apr. 25	16⅜	15¼	15⅜
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	16	14	14⅜
〃 preferred	48½	17	56¼—Feb. 7	42½—Mar. 12	54¾	51	51
North American Co	6½	3⅝	7¼—Aug. 23	4¼—Jan. 15	6¾	6¼	6½
Northern Pacific tr. receipts.	22⅜	11	42½—Sept. 16	19 —Feb. 24	42½	36⅝	41
〃 pref tr. receipts	61⅝	32½	79⅞—Sept. 6	56⅞—Mar. 12	79⅞	75¼	76
Oregon Railway & Nav	41	10	61½—Aug. 22	35½—Jan. 7	58¼	53½	57
〃 preferred	73½	37⅞	77½—Aug. 31	65½—Mar. 29	76½	75	7
Oregon Short Line	23¾	10⅞	37¾—Aug. 27	19⅜—Jan. 3	36½	30	30
Pacific Mail	39¼	24	35⅝—Aug. 22	21 —Apr. 21	35⅜	31¾	32½
Pennsylvania R. R	119	103½	120⅝—Feb. 7	110¾—Mar. 12	119¾	116	117
Pitts., Cin. Chic. & St. Louis	30½	11½	47½—May 1	38⅞—Jan. 5	43⅜	41½	43¼
〃 preferred	70½	44⅛	71 —Feb. 7	57 —Mar. 23	66½	62½	63
Pullman Palace Car Co	185	152	216 —July 5	165 —Mar. 12	189⅞	186	189⅞
Reading Voting Tr. ctfs	29¼	16¼	23⅝—Jan. 6	15½—Mar. 25	19½	17½	18
〃 1st prefered	57¾	38½	54⅛—Feb. 3	36 —Mar. 12	46⅜	42	43½
〃 2d preferred	35⅞	22½	29 —Jan. 6	18⅞—Mar. 26	23	20¾	21½
Rome, Wat. Ogdens' g	122½	117	126 —Aug. 31	116¼—Mar. 26	125½	124½	125½
St. Louis & San Francisco	9	4	9 —Aug. 25	6 —Mar. 26	8¾	7¼	7¼
〃 1st preferred	59⅝	37	68¼—Aug. 22	52½—Mar. 12	67	62¼	63
〃 2d preferred	27½	12	34⅞—Aug. 24	22½—Feb. 24	33¾	29½	29⅝
St. Louis & Southwestern	7	1	6¼—Aug. 10	3¾—Jan. 24	5	4¼	4½
〃 preferred	14⅜	3½	14⅛—Aug. 18	7¾—Mar. 12	13½	11	11¼
St. Paul & Duluth	30	20	27 —Aug. 11	18⅛—July 6	20½	20½	20½
〃 preferred	87½	75	90½—Sept. 2	78 —Apr. 20	90½	90½	90½
St. Paul, Minn. & Manitoba	125	114	171 —Aug. 26	123⅞—Jan. 12	169⅞	165	165
Southern Pacific Co	23½	13½	25¼—Sept. 23	12 —Apr. 13	25¼	21½	23¾
Southern Railway	12¼	7	10 —Aug. 23	7 —Apr. 21	9¾	8½	8¾
〃 preferred	38⅜	22⅞	36⅞—Aug. 27	23⅝—Mar. 26	36¼	32½	33⅜
Tennessee Coal & Iron Co	35½	17	34½—Aug. 22	17 —Mar. 12	32	26¾	27
Texas & Pacific	15	8	16¾—Aug. 24	8⅞—Mar. 12	15¼	13	13½
Union Pacific trust receipts	27¾	4½	36½—Feb. 1	16½—Mar. 25	34⅝	29⅝	32⅞
Union Pac., Denver & Gulf	11⅜	1	10¼—Feb. 18	5¼—July 28	7⅛	5¼	5⅜
Wabash R. R	9¾	4⅝	9⅛—Aug. 31	4½—Aug. 3	9	7⅞	8⅜
〃 preferred	24⅜	11½	24¼—Aug. 31	14¼—Mar. 7	23⅞	20	20⅝
Western Union	96¾	77¼	95⅞—Aug. 17	82¼—Mar. 26	94⅜	90½	90½
Wheeling & Lake Erie	6½	½	4 —Sept. 29	¾—July 22	4	2	3⅜
〃 preferred	29	2⅜	20 —Sept. 29	8 —July 9	20	14½	19¾
Wisconsin Central	4⅜	1	3⅞—Jan. 17	⅞—Jan. 6	3	1¼	2
"INDUSTRIAL" STOCKS:							
American Co. Oil Co	26⅞	9¼	39¾—Aug. 26	15½—Mar. 25	39½	32¼	35¼
〃 preferred	80½	52¼	90⅜—Aug. 22	66 —Mar. 14	89	83	85
American Spirits Mfg Co	15⅞	6½	15⅜—June 9	6½—Jan. 20	13⅞	11½	11½
〃 preferred	36	15	41¾—Aug. 25	16 —Mar. 26	39	32¾	33½
American Sugar Ref. Co	159½	109⅛	146⅞—Aug. 26	107½—Mar. 26	145¾	116½	117⅞
〃 preferred	121½	100¼	116 —Jan. 6	103 —Mar. 25	115¾	107	107½
American Tobacco Co	96⅝	67½	153¾—Sept. 19	83¾—Jan. 24	153¾	125	125½
〃 preferred	115	100	185½—Aug. 26	112¼—Mar. 26	130½	126	126
General Electric Co	41⅜	28⅝	84¾—Sept. 23	76 —Sept. 15	84¾	76	79
National Lead Co	44	21⅞	39⅝—Aug. 23	26¼—Mar. 26	37⅝	32¾	33¼
〃 preferred	109¾	88⅜	113½—Aug. 16	99 —Apr. 22	111	109¾	110½
National Linseed Oil Co	23½	10	21⅞—May 23	2½—Sept. 17	6¼	2½	2⅜
National Starch Manfg. Co	13	8	9 —Feb. 10	5 —Apr. 25	....	....	....
Standard Rope & Twine Co	11¾	2¾	10½—Aug. 5	3¼—Jan. 3	9	6¾	7½
U. S. Leather Co	10¼	6¼	8⅞—May 24	5¼—Apr. 25	7½	6⅛	6⅛
〃 preferred	72	50½	74½—Aug. 22	53¾—Mar. 26	73⅛	63¼	64¼
U. S. Rubber Co	25¼	10	48½—Aug. 17	14¼—Mar. 12	47⅜	35½	36⅞
〃 preferred	76⅞	50	109¼—Aug. 17	60 —Mar. 12	105½	96½	99

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.	September Sales. High.	September Sales. Low.	September Sales. Total.
Ala. Midland 1st gold 6s	1928	2,800,000	M & N	93⅛	Aug.31,'98	....	....	....
Ann Arbor 1st g 4's	1995	7,000,000	Q J	89	Sept.20,'98	89	88	27,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	120,393,000	A & O	93⅛	Sept.30,'98	95½	94⅛	1,622,000
" registered		....	A & O	93⅞	July 1,'98	....	....	....
" adjustment, g. 4's	1995	51,728,000	NOV	70	Sept.30,'98	73⅛	69¼	6,734,000
" 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	98¾	Sept.30,'98	99	98¾	15,000
B. & O. 1st 6's (Parkersburg br.)	1919	3,000,000	A & O	112⅝	Sept.12,'98	112⅝	112⅝	2,000
" Trust Co. cfs. of dep.				115	Sept.16,'98	115⅛	111⅝	93,000
" g. 5's	1885-1925			118⅛	Aug.11,'98	....	....	....
" coupons off				....		....	....	....
" registered		10,000,000	F & A	111¼	Aug. 1,'98	....	....	....
" Speyer & Co. eng. cf. dep.				....		....	....	....
" Trust Co. cfs. of dep.				115	Sept.26,'98	115⅛	114	56,000
" con. g. 5's	1988			118⅛	Sept. 7,'98	118⅛	118⅛	30,000
" registered				116	Aug.22,'98	....	....	....
" J.P.M. & Co. cfs. dep'it		11,988,000	F & A	114¼	July 29,'98	....	....	....
" Trust Co. cfs. of dep.				116⅛	Aug.10,'98	....	....	....
" bonds of loan of 1853 ext. to 1935 at 4% Tr. Co. cfs.		1,161,000	A & O	119	Sept.15,'98	119	119	7,000
" sterling 6% loan of 1872 due 1902 Trust Co. cfs.		£1,921,800	M & S	....		....	....	....
" sterling 6% loan of 1874 due 1910 Trust Co. cfs.		£1,990,600	M & N	....		....	....	....
" 4½% terml. bonds Trust Co. cfs.	1894	3,500,000	J & D	....		....	....	....
" sterling 4½% loan of 1883 (Philadelphia Branch).		£2,400,000	A & O	....		....	....	....
" ster. 5% loan of 1877 due 1927 (B. & O. & Chic.) Tr. Co. cfs.		£1,382,200	J & D	....		....	....	....
Balti. Belt, 1st g. 5's int. gtd.	1990	6,000,000	M & N	99	Sept.28,'98	99⅛	99	6,000
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	104⅛	July 1,'92	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s	1930	2,500,000	M & S	104⅛	Aug. 5,'98	....	....	....
Colo. & Cin. Midl'd 1st ext 4½'s	1939	2,000,000	J & J	92½	Aug.30,'92	....	....	....
Ak. & Chic. Junc. 1st g. int. g. 5's	1930			102⅛	Nov.21,'95	....	....	....
" coupons off		1,500,000	M & N	105	Aug. 9,'98	....	....	....
" Tr. Co. cfs. of dep.				....		....	....	....
Pittsb. & Connellsville 1st g. 4's	1946	2,536,000	J & J	107¼	July 28,'98	....	....	....
" Trust Co. cfs. of dep.				....		....	....	....
" 1st 7% bds 1898 Tr. Co. cfs.		1,419,000	J & J	....		....	....	....
" con. 6% bonds Tr. Co. cfs.		1,315,000	J & J	....		....	....	....
B & O. Southwest'n 1st g. 4½'s	1990	10,667,000	J & J	105	Sept.26,'98	105	101¾	53,000
" 1st c. g. 4½'s	1993	10,511,000	J & J	82	Sept.26,'98	82	76	3,000
" 1st inc. g. 5's ser. "A"	2043	8,651,000	NOV	27⅛	June 8,'98	....	....	....
" "B"	2043	9,655,000	DEC	9	Sept.27,'98	9⅝	8¼	128,000
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	105	Aug.23,'98	....	....	....
" 2d con. 7's	1911	2,952,000	A & O	122⅛	July 12,'98	....	....	....
" 1st Spr'gfield div. 7's	1905	1,984,000	M & N	103	Sept.30,'98	106	103	51,000
" 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	114	Sept.30,'98	114	112⅛	8,000
Brooklyn E. Tr. Co. cfs 1st g. 6s's	1924	3,464,000	......	92	Sept.30,'98	94	91	161,000
" Tr. Co. ctfs. 2d g. 5's	1915	1,246,000	......	....		....	....	....
" all instal. paid			......	86	June 27,'98	....	....	....
Seas. & B.B. Tr. Co. cfs. 1st g. g. 5's	1942	1,357,000	......	70⅛	Dec. 14,'97	....	....	....
" all instal. paid			......	....		....	....	....
Union Ele. Tr. Co. ctfs. 1st g. g. 6's	1937	6,124,000	......	91⅛	Sept.30,'98	93	91	168,000

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.	SEPTEMBER SALES. High.	SEPTEMBER SALES. Low.	SEPTEMBER SALES. Total.
Brooklyn Rapid Transit g. 5's	1945	6,898,000	A & O	106½	Sept.30,'98	106¾	104	155,000
Brunswick & Western 1s g. 4's	1938	3,000,000	J & J	74	Sept. 1,'98	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,407,000	M & S	106	Sept.13,'98	106	105	6,000
" 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	Aug.31,'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	107¼	Sept.29,'98	107¼	106¾	15,000
" con. 1st & col. tst 5's	1934	6,425,000	A & O	109½	Sept.23,'98	109½	109½	3,000
" 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	....	....	....
Canada Southern 1st int. gtd 5's	1908	13,920,000	J & J	109½	Sept.30,'98	110	109	49,000
" 2d mortg. 5's	1913	5,100,000	M & S	109	Sept.30,'98	109	107	46,000
" registered			M & S	106½	May 22,'97	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	92½	June 30,'98	....	....	....
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	114½	June 8,'98	....	....	....
" registered $1,000 & $5,000			F & A	....	....	....	....	....
" con. g. 5's	1945	16,500,600	M & N	89½	Sept.29,'98	90½	88	341,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	....	....	....	....	....
" 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	38¼	Sept.30,'98	42¼	38	118,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	11	Sept.30,'98	11½	10	29,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	4½	Sept.13,'98	4½	4½	3,000
" 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	99	July 6,'98	....	....	....
" Mid. Ga. & Atl. div. g 5s	1947	413,000	J & J	86½	Sept. 6,'98	86½	86½	3,000
Central Railroad of New Jersey,								
" 1st consolidated 7's	1899	3,836,000	Q J	103⅜	Sept.15,'98	103⅜	103⅜	12,000
" convertible 7's	1902	1,167,000	M & N	112½	Sept.24,'98	112½	112½	1,000
" deb. 6's	1908	466,000	M & N	110	July 21,'98	....	....	....
" gen. g. 5's	1987	43,924,000	J & J	114¼	Sept.30,'98	114¼	113⅜	47,000
" registered			Q J	111	Sept.30,'98	112½	111	31,000
Lehigh & W.-B. con. assd. 7's	1900	5,500,000	Q M	97	Sept.30,'98	100½	97	31,000
" mortgage 5's	1912	2,691,000	M & N	91	July 20,'98	....	....	....
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	114	Sept.23,'98	114	114	2,000
N. J. Southern int. gtd 6's	1899	411,000	J & J	104	Nov. 13,'96	....	....	....
Cen. P. ex g. 5's Speyer & Co. cfs. A.	1898	2,995,000	......	102	July 14,'98	....	....	....
" B C D	1899	3,383,000	......	108	Feb. 18,'98	....	....	....
" E	1898	3,997,000	J & J	101¾	May 5,'98	....	....	....
" F G H I	1901	15,508,000	......	....	....	....	....	....
" San Joaquin br. g 6's	1900	6,080,000	A & O	102½	June 17,'98	....	....	....
" 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	102	Mar. 19,'98	....	....	....
" 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	103½	Sept.28,'98	103¾	102¾	17,000
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	103¾	Sept.30,'98	103¾	103	117,000
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	103¾	Dec. 13,'96	....	....	....
Ches. & Ohio 6's, g., Series A.	1908	2,000,000	A & O	119½	Sept.28,'98	119½	119	4,000
" Mortgage gold 6's	1911	2,000,000	A & O	121½	Sept.29,'98	121½	120	6,000
" 1st con. g. 5's	1939	25,858,000	M & N	115	Sept.29,'98	116	115	112,000
" registered			M & N	114	Feb. 7,'98	....	....	....
" Gen. m. g. 4½'s	1992	23,722,000	M & S	86	Sept.30,'98	87¾	84½	678,000
" registered			M & S	85	Dec. 30,'93	....	....	....
" (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	104	Sept.29,'98	104	101	16,000
" 2d con. g. 4's	1989	1,000,000	J & J	95	Sept.30,'98	95	93¾	10,000
" Craig Val. 1st g. 5's	1940	650,000	J & J	95½	May 27,'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	101½	Sept.28,'98	102	101½	10,000
Chicago & Alton s'king fund 6's	1903	1,722,000	J & J	111	Sept.10,'98	111	111	3,000
Louisiana & Mo. Riv. 1st 7's	1900	1,785,000	F & A	108	June 15,'98	....	....	....
" 2d 7's	1900	300,000	M & N	107	July 20,'98	....	....	....
Miss. Riv. Bdge 1st s. f'd g. 6's	1912	512,000	A & O	105½	Oct. 30,'95	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
Chicago, Burl. & Quincy con. 7's	1903	28,924,000	J & J	116	Sept.30,'98	116	115¼	26,000
" 5's, sinking fund	1901	2,315,000	A & O	105	Sept.16,'98	105	105	4,000
" 5's, debentures	1913	9,000,000	M & N	110	Sept.22,'98	110⅛	109⅛	26,000
" convertible 5's	1903	15,263,900	M & S	115	Sept.26,'98	116⅛	114	28,500
" (Iowa div.) sink. f'd 5's	1919	2,818,000	A & O	111	Aug.23,'98	....	....	....
" 4's	1919	9,050,000	A & O	102	Aug.26,'98	....	....	....
" Denver div. 4's	1922	5,959,000	F & A	103	Sept.23,'98	103	102	8,000
" 4's	1921	3,200,000	M & S	100	Aug. 6,'98	....	....	....
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	107⅛	Jan. 18,'96	....	....	....
" Nebraska extensi'n 4's	1927	26,110,000	M & N	102	Sept.30,'98	102⅝	101	118,000
" registered			M & N	97	May 9,'98	....	....	....
" Han. & St. Jos. con. 6's	1911	8,000,000	M & S	120	Sept.20,'98	120	120	10,000
Chic. Burl. & Northern, 1st 5's	1926	8,241,000	A & O	107	Sept.20,'98	107	107	500
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	116⅛	Sept.20,'98	116¾	116⅛	6,000
" small bonds			J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	132	Aug.28,'98	....	....	....
" gen. con. 1st 5's	1937	9,767,000	M & N	107⅛	Sept.27,'98	108	107⅛	18,000
" registered			M & N	106¼	June 7,'98	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	105	Sept.12,'98	105¾	105	3,000
Chicago, Indianapolis & Louisville.								
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	114⅛	Sept.27,'98	114⅛	113	2,000
Chic. Ind. & Louisv. ref. g. 5's	1947	3,018,000	J & J	91	Sept.22,'98	91	91	10,000
" refunding g. 6's	1947	4,700,000	J & J	105⅛	Sept.23,'98	107	105⅛	7,000
Chicago, Milwaukee & St. Paul.								
Mil. & St. Paul 1st 7's $ g, R.d.	1902	3,040,000	J&J	152	Sept.19,'98	152	151	7,000
" 1st 7's £	1902		J&J	120	Feb. 8,'94	....	....	....
" 1st m. Iowa & D. 7's	1899	285,000	J & J	152½	Sept.28,'98	152½	152	11,000
" 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	152	Sept.21,'98	152	152	6,000
" 1st 7's, Iowa & D, ex	1908	3,339,000	J & J	151½	Sept. 6,'98	151⅛	151⅛	1,000
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	117	Aug.10,'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	118¼	Sept.27,'98	118¼	118	4,000
" 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	128⅜	Sept. 7,'98	128⅜	128⅜	1,000
" 5's	1910	990,000	J & J	109	Oct. 5,'97	....	....	....
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	118½	July 19,'98	....	....	....
" 1st Chic. & P. W. 5's	1921	25,340,000	J & J	117	Sept.21,'98	117⅝	116¾	28,000
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	114½	Aug.12,'98	....	....	....
" 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	114	Sept. 8,'98	114	114	2,000
" terminal 5's	1914	4,748,000	J & J	113¼	Sept.23,'98	113¼	113¼	5,000
" 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	112	Sept.21,'98	112	112	1,000
" g. m. g. 4's, series A	1989	23,676,000	J & J	105½	Sept.30,'98	105¾	105	153,000
" registered		....	Q J	105½	Feb. 19,'98	....	....	....
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	120	Sept.27,'98	120⅛	120	6,000
" 1st convt. 6's	1913	5,092,000	J & D	121¼	Sept.13,'98	121⅛	121¼	11,000
Chic. & Northwestern cons. 7's	1915	12,771,000	Q F	142⅝	Sept.20,'98	142⅝	142	12,000
" coupon gold 7's	1902	10,721,000	J & D	114¾	Sept.29,'98	115	114⅛	10,000
" registered d. gold 7's	1902		J & D	114¾	Sept.28,'98	114¾	114¾	5,000
" sinking fund 6's	1879–1929	5,591,000	A & O	120	Sept.29,'98	120	120	1,000
" registered			A & O	115	July 13,'98	....	....	....
" 5's	1879–1929	7,237,000	A & O	112	Sept.29,'98	112	111	12,000
" registered			A & O	107½	July 13,'98	....	....	....
" debenture 5's	1933	9,800,000	M & N	119¼	Sept. 9,'98	119¼	119¼	1,000
" registered			M & N	117	Mar. 8,'98	....	....	....
" 25 year deben. 5's	1909	6,000,000	M & N	109½	Aug.30,'98	....	....	....
" registered			M & N	109½	Mar. 19,'97	....	....	....
" 30 year deben. 5's	1921	10,000,000	A & O	118	Sept.26,'98	118	116	10,000
" registered			A & O	107	Nov. 20,'95	....	....	....
" extension 4's	1886–1926	18,632,000	F A 15	105¼	Aug.23,'98	....	....	....
" registered			F A 15	103	June 10,'96	....	....	....
" gen. g. 3½'s	1987	6,000,000	M & N	102¾	Sept.21,'98	103	102⅛	7,000
" " registered			Q F	....	....	....	....	....
Escanaba & L. Superior 1st 6's	1901	455,000	J & J	107¾	May 26,'98	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Iowa Midland 1st mortg. 8's	1900	1,099,000	A & O	116	July 9,'96	....	....	....
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	136	Sept.20,'98	136	136	1,000
" con. deb. 5's	1907	436,000	F & A	105⅛	Feb. 24,'97	....	....	....

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	116	Aug.31,'98	....	....	....
" Michigan div. 1st 6's..	1924	1,281,000	J & J	134	Mar. 28,'98	....	....	....
" Ashland div. 1st 6's....	1925	1,000,000	M & S	133	May 19,'98	....	....	....
" income....................		500,000	M & N	112	Apr. 27,'96	....	....	....
Chic., Rock Is. & Pac. 6's coup...	1917	12,100,000	J & J	130⅛	Sept.24,'98	131⅝	130⅛	2,000
" registered.............	1917		J & J	130	Aug.12,'98	....	....	....
" gen. g. 4's.............	1988	47,971,000	J & J	104⅜	Sept.29,'98	104⅞	103½	182,000
" registered			J & J	104	Sept.21,'97	104	104	100,000
Des Moines & Ft. Dodge 1st 4's.	1905	1,200,000	J & J	94	Sept.19,'98	95	94	7,000
" 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	106½	Aug.25,'98	....	....	....
" small bond............	1923	....	A & O	100	Apr. 15,'97	....	....	....
Chic., St.P., Minn.& Oma.con. 6's.	1930	13,751,000	J & D	135½	Sept.29,'98	135½	135	84,000
Chic., St. Paul & Minn. 1st 6's..	1918	2,662,000	M & N	135	Sept.14,'98	135	135	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	132⅝	Sept.20,'98	132⅝	132⅝	2,000
Chic., Term. Trans. R. R. g. 4's..	1947	18,000,000	J & J	89¾	Sept.30,'98	90¼	87½	645,000
Chic. & Wn. Ind. 1st s'k. f'd g. 6's.	1919	878,000	M & N	106	June 22,'98	....	....	....
" gen'l mortg. g. 6's....	1932	9,868,000	Q M	120½	Aug.30,'97	....	....	....
Chic. & West Michigan R'y 5's...	1921	5,753,000	J & D	98½	Mar. 12,'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. 13,'97	....	....	....
Cin., Day. & Ir'n 1st gtd. g. 5's..	1941	3,500,000	M & N	111¼	Sept.28,'98	111¼	111	15,000
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	......	68	Sept.19,'98	68	68	20,000
Clev.,Cin.,Chic.& St.L. gen.m. 4's.	1993	7,574,000	J & D	82	June 29,'98	....	....	....
" do Cairo div. 1st g. 4's..	1939	5,000,000	J & J	91¾	Sept.21,'98	91¾	91¾	5,000
St. Louis div. 1st col. trust g.4's.	1990	9,750,000	M & N	98½	Sept.30,'98	99¾	98½	10,000
" 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	87	Aug.31,'98	....	....	....
Cin.,Wab. & Mich. div. 1st g. 4's.	1991	4,000,000	J & J	90½	Aug.29,'98	....	....	....
Cin.,Ind., St. L. & Chic. 1st g.4's.	1936	7,685,000	Q F	99½	May 26,'98	....	....	....
" registered.................				95	Nov. 15,'94	....	....	....
" con. 6's.................	1920	731,000	M & N	107½	June 30,'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	76	Sept.28,'98	79⅝	76	44,000
" income 4's............	1990	4,000,000	A	19	Sept.27,'98	22	19	49,000
Clev., C., C. & Ind. 1st 7's s'k. f'd.	1899	3,000,000	M & N	104	Aug.23,'98	....	....	....
" consol mortg. 7's......	1914	3,991,000	J & D	135½	July 26,'98	....	....	....
" 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	....	....	....
" 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	106½	Sept.21,'98	106½	106½	10,000
Clev., & Mahoning Val. gold 5's..	1938	2,936,000	J & J	121	Sept. 9,'98	121	121	1,000
" registered....................			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 2-3-4's........	1947	6,250,000	J & J	58⅞	Sept.30,'98	61⅝	58	223,000
" 1st g. 4's................	1947	1,011,000	J & J	68	Sept.30,'98	73	68	121,000
Col., Hock. Val. & Tol. con. g. 5's.	1931	406,000	M & S	74	Aug.10,'97	....	....	....
" J. P. M. & Co. eng ctf. $85 pd.		7,694,000	......	79	Sept. 2,'98	79	79	3,000
" 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	126	July 23,'98	....	....	....
Morris & Essex 1st m 7's........	1914	5,000,000	M & N	140	Aug.16,'98	....	....	....
" bonds, 7's.............	1900	281,000	J & J	109	Nov. 23,'97	....	....	....
" 7's.................	1871-1901	4,991,000	A & O	107	Sept. 7,'98	107	107	4,000
" 1st c. gtd 7's..	1915	12,151,000	J & D	139	June 2,'98	....	....	....
" registered...............			J & D	136	June 4,'98	....	....	....
N. Y., Lack. & West'n. 1st 6's...	1921	12,000,000	J & J	137	Sept.19,'98	137	137	5,000
" const. 5's..............	1923	5,000,000	F & A	118¼	Nov.17,'97	....	....	....
Warren 2d 7's..................	1900	750,000	A & O	108	Aug. 1,'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.*	September Sales. *High.*	September Sales. *Low.*	September Sales. *Total.*
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	146	Sept.13,'98	146	146	1,000
" reg.	1917		M & S	143	May 4,'98	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	125	Aug.31,'98	....	....	....
" registered			A & O	128½	Feb. 12,'94	....	....	....
" 6's	1906	7,000,000	A & O	115	June 21,'98	....	....	....
" registered			A & O	116½	Mar. 22,'97	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	147	Sept.27,'98	147	147	1,000
" 1st r 7's	1921		M & N	141	May 6,'98	....	....	....
Denver Con. T'way Co. 1st g. 5's	1933	790,000	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 Grande 1st g. 7's	1900	2,206,500	M & N	110¼	Sept.20,'98	110¼	110¼	5,000
" 1st con. g. 4's	1936	28,650,000	J & J	97	Sept.30,'98	97½	96	129,000
" con. g. 4½'s	1936	4,076,000	J & J	....		....	....	....
" impt. m. g. 5's	1928	8,103,500	J & D	94¼	Sept.28,'98	95½	94¼	81,500
						....	....	....
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	99¾	June 6,'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	6,734,000	A & O	106½	Sept.26,'98	106½	105	10,000
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s	1916	2,000,000	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	112½	Sept.26,'98	112½	112¼	11,000
Erie, 1st mortgage ex. 7's	1897	2,482,000	M & S	113	July 26,'98	....	....	....
" 2d extended 5's	1919	2,149,000	M & N	119½	Aug. 2,'98	....	....	....
" 3d extended 4½'s	1923	4,618,000	M & S	112½	Sept. 7,'98	112½	112½	1,000
" 4th extended 5's	1920	2,926,000	A & O	117	June 28,'98	....	....	....
" 5th extended 4's	1928	709,500	J & D	104½	June 3,'98	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	142	Sept.20,'98	142	141¾	22,000
" 1st cons. fund c. 7's	1920	3,705,977	M & S	141	June 25,'96	....	....	....
Long Dock consol. 6's	1935	7,500,000	A & O	139	Sept.20,'98	139	139	1,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	133	June 6,'98	....	....	....
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	104½	Sept.12,'98	104½	104½	10,000
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	111½	Sept.29,'98	111½	110	33,000
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	107	Sept.12,'98	107	107	5,000
" small								
Erie R.R. 1st con. g-4s prior bds	1996	30,000,000	J&J	91¾	Sept.30,'98	93¼	91¾	205,000
" registered			J&J			....	....	....
" gen. lien 3-4s	1996	30,927,000	J&J	71¾	Sept.29,'98	73½	71¼	367,000
" registered			J&J	....		....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,750,000	J & J	107	Sept.27,'98	108	107	9,000
" 2d g. 4½'s	1937	453,000	F & A	92¼	Aug.25,'98	....	....	....
" gen. g. 5's	1940	2,547,000	F & A	84	Sept.30,'98	90	84	18,000
" term. 1st g. 5's	1943	2,000,000	M & N	109⅞	July 25,'98	....	....	....
" registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	99½	Sept.12,'98	99½	99½	9,000
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	120¾	Aug. 6,'98	....	....	....
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	116½	Sept.22,'98	116½	116½	4,000
" 1st General g 5's	1942	2,223,000	A & O	98	Sept.28,'98	100	88	465,000
" Mount Vernon 1st 6's	1923	375,000	A & O	110	May 10,'98	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	98¼	Sept.30,'98	99	89	63,000
Flint & Pere Marquette m 6's	1920	3,999,000	A & O	117	Aug.26,'98	....	....	....
" 1st con. gold 5's	1939	2,100,000	M & N	95	Aug.30,'98	....	....	....
" Port Huron d 1st g 5's	1939	3,083,000	A & O	95⅜	Sept.26,'98	95⅝	95½	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	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	75	Sept.26,'98	77	74	131,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	60¾	Sept.29,'98	62	59	18,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	97	Sept.29,'98	98	95	46,000
Geo. & Ala. Ry. 1st pref. g. 5's	1945	2,280,000	A & O	88	July 18,'98	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	92	July 8,'98	....	....	....

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Houston E. & W. Tex. 1st g 5's	1933	2,700,000	M & N	96	Sept.20,'98	96	94	102,000
Illinois Central, total outstanding......$18,950,000								
" 1st g. 4's	1894–1951	1,500,000	J&J	109¼	Aug. 8,'98	....	....	....
" registered			J&J	109½	July 28,'98	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	105	Mar. 16,'98	....	....	....
" registered			J&J	102¼	Apr. 15,'98	....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'98	....	....	....
" registered			M & S	....		....	....	....
" col. trust 2-10 g. 4's	1904	4,806,000	A & O	102¼	July 29,'98	....	....	....
" col. tr. 2-10 g.4's rgst'd			A & O	103	Apr. 15,'98	....	....	....
" collat. trust gold 4's	1952	15,000,000	M & N	104	Sept. 6,'98	104	104	2,000
" regist'd			M & N	101	Mar. 19,'98	....	....	....
" col.t.g.4sL.N.O.&Tex.	1953	24,679,000	J & J	101¾	Sept.23,'98	101¾	101⅛	83,000
" registered			J & J	....		....	....	....
" col, trust 2-10 g. 4's	1904	4,806,000	J & J	100¼	Sept.28,'98	100¼	100¼	50,000
" registered			J & J	....		....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	103¼	Aug. 8,'98	....	....	....
" registered			F & A	....		....	....	....
" Louisville div.g. 3½'s.	1953	14,320,000	J & J	93¾	Sept.30,'98	94⅝	93¼	27,000
" registered			J & J	....		....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	79¼	Sept.29,'98	80	79⅛	11,000
" registered			J & J	....		....	....	....
" g. 3½'s	1951	6,321,0 0	J & J	94⅝	Aug.13,'98	....	....	....
" registered			J & J	....		....	....	....
" 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	....	....	....
" Sp'gfield div 1stg 3½'s,	1951	2,000,000	J & J	....		....	....	....
" registered			J & J	....		....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	123¼	Sept.10,'98	123¼	123¼	1,000
" gold 5's, registered			J D 15	123	Sept.12,'97	123	123	1,000
" g. 3½'s	1951	1,352,000	J D 15	....		....	....	....
" registered			J D 15	....		....	....	....
" Memph. div. 1st g. 4's,	1951	3,500,000	J & D	103⅛	Jan. 24,'98	....	....	....
" 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,	1281	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	103⅛	Sept.15,'98	103⅛	103⅛	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	121	Sept.12,'98	121	121	1,000
" 2d g. 5's	1909	6,593,000	M & S	87	Sept.14,'98	87	87	8,500
" 3d g. 4's	1921	2,718,000	M & S	53	Sept.30,'98	53	53	500
Iowa Central 1st gold 5's	1938	6,572,000	J & D	104	Sept.29,'98	104	103¾	42,000
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	22,578,000	A & O	77⅜	Sept.30,'98	78⅛	76¾	511,000
Kings Co. El. series A. 1st g. 5's	1925	3,177,000	J & J	55	Sept.23,'98	58	55	13,000
Fulton El. 1st m. g. 5's series A.	1929	1,979,000	M & S	49	July 9,'98	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	116	Sept.26,'98	116½	116	6,000
" 2d mtge. g. 5's	1941	2,600,000	J & J	104	Sept.29,'98	104	102	21,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	101	Aug.15,'98	....	....	....
Lehigh Val. (Pa.) coll. g. 5's	1997	5,000,000	M & N	104	Aug. 8,'98	....	....	....
" registered			M & N	....		....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	102	Sept.19,'98	103	101	18,000
" registered		....	J&J	....		....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	112	Sept.14,'98	112	112	4,000
" 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	91	Aug.10,'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	Q J	29	Sept. 9,'98	29	29	10,000
Long Island 1st cons. 5's	1931	3,610,000	Q J	118	July 12,'98	....	....	....
" 1st con. g. 4's	1931	1,121,000	Q J	....		....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	90	Sept.21,'98	90½	88	12,000
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	90	Sept.16,'98	90	90	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	....	....	....

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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	1,728,000	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	39½	Sept. 19,'98	39½	39⅛	30,000
" 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	122¾	Aug. 12,'98	....	....	....
" 2d 6's..................1930	1,000,000	J & J	108	Sept. 22,'98	108	108	1,000
" E., Hend. & N. 1st 6's..1919	2,030,000	J & D	115	Aug. 19,'98	....	....	....
" general mort. 6's.....1930	10,058,000	J & D	118½	Sept. 14,'98	119	118½	7,000
" 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	105	July 20,'98	....	....	....
" So. & N. Ala. si'g fd. 6s. 1910	1,942,000	A & O	92½	Sept. 30,'96	....	....	....
" con. gtd. g. 5's.........1936	3,673,000	F & A	100½	Aug. 16,'98	....	....	....
" gold 5's.................1937	1,764,000	M & N	104½	Aug. 18,'98	....	....	....
" Unified gold 4's........1940	14,994,000	J & J	89⅜	Sept. 29,'98	89¾	88½	189,000
" registered 1940		J & J	83	Feb. 27,'98	....	....	....
" Pen. & At. 1st 6's, g. g, 1921	2,753,000	F & A	107	Sept. 19,'98	107	106	7,000
" collateral trust g. 5's, 1931	5,129,000	M & N	104	Sept. 22,'98	104	104	11,000
" L. & N. & Mob. & Montg 1st. g. 4½s............1945	4,000,000	M & S	109½	July 18,'98	....	....	....
" N. Fla. & S. 1st g. g. 5's, 1937	2,096,000	F & A	97	Sept. 9,'98	97	97	10,000
Kentucky Cent. g. 4's........1987	6,742,000	J & J	91	Sept. 9,'98	92	91	3,000
L. & N. Louv. Cin. & Lex. g. 4½'s, 1931	3,258,000	M & N	108	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	94¾	Sept. 29,'98	95	93¾	69,000
Metropolitan Elevated 1st 6's....1908	10,818,000	J & J	114	Sept. 30,'98	117	114	28,000
" 2d 6's....................1899	4,000,000	M & N	103¾	Sept. 14,'98	103¾	103½	3,000
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	114	Sept. 29,'98	114	113	143,000
B'way & 7th ave. 1st con. g. 5's, 1997	7,650,000	J & D	120½	Sept. 6,'98	120½	120½	2,000
" registered		J & D	112½	May 29,'98	....	....	....
Columb. & 9th ave. 1st gtd g 5's, 1993	3,000,000	M & S	121¼	Sept. 16,'95	121¼	120	39,000
" registered..................		M & S	....		....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	120½	Sept. 23,'98	120½	119½	24,000
" registered..................		M & S	....		....	....	....
Mexican Central.							
" con. mtge. 4's...........1911	59,011,000	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	77½	Sept. 29,'98	77½	76	237,000
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	42⅝	Nov. 12,'96	....	....	....
			....		....	....	....
" 2d inc. 6's "B"..........1917	12,265,000	A	18	July 9,'97	....	....	....
Mexican Northern 1st g. 6's.....1910	1,313,000	J & D	97	Feb. 11,'97	....	....	....
" registered...................		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	107½	Sept. 30,'98	108	106	100,000
" 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	123	Sept. 27,'97	123	123	2,000
Minneapolis & Pacific 1st m. 5's..1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.			....		....	....	....

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.	September Sales. High.	September Sales. Low.	September Sales. Total.
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	88	Sept. 30,'98	90	87⅛	276,500
" 2d mtge. g. 4's	1990	20,600,000	F & A	68	Sept. 30,'98	65⅝	61⅛	367,000
" 1st ext gold 5's	1944	998,000	M & N	88	Aug. 9,'98	....	....	....
" of Texas 1st gtd g. 5's	1942	2,685,000	M & S	83	Aug. 26,'98	85	83	58,000
" Kan. C. & P. 1st g. 4's	1990	2,500,000	F & A	74	Sept. 26,'98	74	73	11,000
" Dal. & Waco 1st g. g. 5's	1940	1,340,000	M & N	82	Sept. 21,'98	83⅛	82	23,000
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	102	Sept. 28,'98	102¼	101⅛	9,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	104⅞	Sept. 30,'98	106	104	189,000
" 3d mortgage 7's	1906	8,828,000	M & N	111½	Sept. 13,'98	112	111½	11,000
" trusts gold 5's	1917	14,376,000	M & S	81½	Sept. 26,'98	83	80	15,000
" registered			M & S	....	....	....	....	....
" 1st collateral gold 5's	1920	7,000,000	F & A	76¼	Sept. 19,'98	78⅛	76¼	8,000
" registered			F & A	....	....	....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	108¾	Aug. 5,'98	....	....	....
" 2d extended g. 5's	1938	2,573,000	F & A	106	Sept. 23,'98	106	105⅛	4,000
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	107	Aug. 29,'98	....	....	....
" 2d. ext. g. 5's	1946	6,000,000	M & N	107½	July 28,'98	....	....	....
" Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	105¼	July 25,'98	....	....	....
" g. con. R.R. & l. gr. 5's	1931	18,274,000	A & O	99	Sept. 29,'98	99⅝	97¾	228,000
" stamped gtd gold 5's	1931	6,945,000	A & O	100	Aug. 10,'98	....	....	....
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	120	Sept. 21,'98	120	120	500
" 1st entension 6's	1927	974,000	J & D	119	Dec. 6,'97	....	....	....
" gen. g. 4's	1938	9,547,000	Q J	77	Sept. 23,'98	77¾	76	19,500
" Montg'ry div. 1st g. 5's	1947	4,000,000	F & A	101	Sept. 30,'98	102½	100⅛	78,000
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	130	Sept. 29,'98	130	130	12,000
" 2d 6's	1901	1,000,000	J & J	105¾	Nov. 9,'97	....	....	....
" 1st cons. g. 5's	1928	6,213,000	A & O	104	Sept. 29,'98	104	102⅝	81,000
" 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	....	....	....
N. Y. Cent. & Hud. R. 1st c. 7's	1903	28,186,000	J & J	116½	Sept. 27,'98	116½	116½	10,000
" 1st registered	1903		J & J	115¾	Aug. 24,'98	....	....	....
" debenture 5's	1904	6,373,000	M & S	108¾	Sept. 21,'98	108¾	108¼	8,000
" debenture 5's reg.			M & S	110⅝	July 15,'98	....	....	....
" reg. deben. 5's	1889-1904	850,000	M & S	108½	Feb. 21,'98	....	....	....
" debenture g. 4's	1905	8,885,000	J & D	105	Aug. 11,'98	....	....	....
" registered			J & D	104¾	Feb. 5,'98	....	....	....
" deb. cert. ext. g. 4's	1905	4,585,500	M & N	104⅞	Sept. 30,'98	104⅞	104¾	3,000
" registered			M & N	104⅝	June 30,'98	....	....	....
" g. mortgage 3½'s	1997	23,801,000	J & J	107¼	Sept. 27,'98	107¼	107¼	20,000
" " registered			J & J	104⅞	July 6,'98	....	....	....
Michigan Central col. g. 3½'s	1998	17,926,000	F & A	93¾	Sept. 29,'98	94	93	348,000
" registered			F & A	....	....	....	....	....
Lake Shore col. g. 3½'s	1998	90,168,000	F & A	94¾	Sept. 30,'98	95⅛	94	608,000
" registered			F & A	94	Sept. 29,'98	94	94	60,000
Harlem 1st mortgage 7's c.	1900	12,000,000	M & N	107	Sept. 22,'98	107	107	1,000
" 7's registered	1900		M & N	107¼	Aug. 25,'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	109¼	Sept. 29,'98	110	109	130,000
" registered			J & J	108⅞	Sept. 30,'98	109½	108¾	72,000

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.	September Sales. High.	September Sales. Low.	September Sales. Total.
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	104	Sept.23,'98	105	104	4,000
" 1st M. g 5's West. div...1935	2,500,000	A & O	105	Aug.19,'98	....	....	....
" gen. g. 5's.... 1935	1,500,000	J & D	....	....	....	....	....
" Kanaw & M. 1st g. g. 4's.1990	2,340,000	A & O	79	Sept.23,'98	79	79	2,000
Toledo, Peoria & W. 1st g 4's....1917	4,900,000	J & D	77	Sept.28,'98	78⅛	77	37,000
Tol., St.L.&K.C. Tr. Rec. 1st g 6's.1916	8,234,000	M & N	90	Sept.21,'98	90	90	8,000
Ulster & Delaware 1st c. g 5's....1928	1,852,000	J & D	100	Sept.26,'98	100	100	5,000
Union Elevated (Chic.) 1st g.5's.1945	4,237,000	A & O	....	....	....	....	....
Union Pacific R. R. & ld gt g 4s.1947	90,000,000	J & J	98⅛	Sept.30,'98	99	97¾	3,092,000
" registered.................		J & J	98⅝	Aug.25,'98	....	....	....
Union Pac. Tr. Co. cts. g. 4½s..1918	2,000,000	M & N	58⅛	Sept.30,'98	59	56	25,000
U.P. Den.&GT.Co.cf.1stc.g.5's.1939	15,288,000	J & D	77⅛	Sept.30,'98	77⅛	74⅛	2,622,000
Wabash R.R. Co., 1st gold 5's....1939	31,664,000	M & N	111¼	Sept.30,'98	112	111¼	191,000
" 2d mortgage gold 5's..1939	14,000,000	F & A	89¼	Sept.30,'98	90⅛	88	372,000
" deben. mtg series A..1939	3,500,000	J & J	....	....	....	....	....
" series B...............1939	25,740,000	J & J	31	Sept.28,'98	36	31	1,685,000
" 1st g.5's Det.& Chi.ex.1940	3,500,000	J & J	105⅛	Sept.27,'98	105⅛	105	43,000
St. L., Kan. C. & N. St. Chas. B.							
" 1st 6's.................1908	1,000,000	A & O	110	June 7,'98	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	108⅞	Sept.28,'98	108⅞	107	32,000
" gen g. 2-3-4's............1943	10,000,000	A & O	56⅛	Sept.29,'98	58¾	56	11,000
" inc. 5's...................1943	10,000,000	Nov.	15	Sept.21,'98	15	14⅛	11,000
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	3,100,000	J & J	108	Feb. 18,'96	....	....	....
Wheeling & Lake Erie 1st g. 5's.1926	1,018,000	A & O	108	Sept.28,'98	108	108	16,000
" Trust Co. certificates......	1,982,000	......	100	Mar. 18,'98	....	....	....
" Wheeling div. 1st g. 5's.1928	1,500,000	J & J	100	Sept. 2,'98	100	100	1,000
" exten. and imp. g. 5's...1930	1,624,000	F & A	92⅛	Mar. 11,'98	....	....	....
" consol mortgage 4's....1992	1,600,000	J & J	49¼	Sept.26,'98	49¼	39	18,000
Wisconsin Cent.Co. 1st trust g.5's1937	1,987,000	J & J	34	Nov. 16,'97	....	....	....
" eng. Trust Co. certificates.	10,013,000	......	55¼	Sept.30,'98	57⅛	52⅛	3,326,000
" income mortgage 5's...1937	7,775,000	A & O	6¾	Sept.24,'98	7¼	5⅝	123,000

UNITED STATES GOVERNMENT SECURITIES.

NAME Principal Due.	Amount.	Int'st Paid.	Year 1898 High.	Year 1898 Low.	September Sales. High.	September Sales. Low.	September Sales. Total.
United States 2's registered.........Opt'l	25,364,500	Q M	98⅛	98	....	....	......
" 4's registered..............1907	559,634,000	J A J&O	113⅝	106	110⅛	110⅛	51,000
" 4's coupon..................1907		J A J&O	114¾	107	112	111⅛	28,000
" 4's registered..............1925	162,315,400	Q F	129⅛	116¾	127⅞	127	56,000
" 4's coupon..................1925		Q F	129¾	117⅝	127⅝	127	12,500
" 5's registered..............1904	100,000,000	Q F	115	109¾	112⅝	112⅛	35,000
" 5's coupon..................1904		Q F	115	109¾	112¼	112¼	20,000
" 6's currency..................1899	14,004,560	J & J	104	102¼	....	....	......
" 4's reg. cer. ind. (Cherokee)1899	1,660,000	MAR	....	....	....	....	......
District of Columbia 3-65's...........1924	14,083,600	F & A	117	115	117	116	17,000
" 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.

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MISCELLANEOUS BONDS.

NAME. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	100¼	Sept.30,'98	100½	99¾	281,000
American Cotton Oil deb. g. 8's..1900	8,068,000	Q F	108	Sept.30,'98	106	106½	29,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	2,000,000	M & S	84	Sept.29,'98	87½	84	28,000
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	....		....	....	....
B'klyn Wharf & Wh. Co. 1st g. 5's.1945	17,500,000	F & A	88	Sept.30,'98	94	88	45,000
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	2,575,000	J & J	....		....	....	....
Colo. Coal & Iron 1st con. g. 6's..1900	2,954,000	F & A	100	Sept.30,'98	100	100	85,000
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	82	Sept.19,'98	82	82	2,000
Commercial Cable Co. 1st g. 4's.2397.	18,000,000	Q & J	101½	Apr. 28,'98	....	....	....
" registered....................		Q & J	104	Feb. 16,'98	....	....	....
Det. Mack.&Mar. ld. gt. 3½ S A..1911	3,021,000	A & O	17	Aug.24,'98	....	....	....
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	1,960,000	J & J	98¼	Mar. 9,'98	....	....	....
Grand Riv. Coal & Coke 1st g. 6's.1919	780,000	A & O	90	Nov. 26,'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	1,705,000	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	....	....	....
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	107½	Aug.25,'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	....	....	....
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	....	....	....
Procter & Gamble, 1st g 6's......1940	2,000,000	J & J	113	Apr. 4,'98	....	....	....
Roch & Pitts. Cl & Ir. Co. pur my 5's.1946	1,100,000	M & N	....		....	....	....
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	2,912,000	F & A	75	Sept.30,'98	82	75	820,000
" " inc. g. 5's.1946	7,500,000	......	19½	Sept.28,'98	23¾	19¼	1,090,000
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	93¼	Sept.30,'98	93¼	92	18,000
" Bir. div. 1st con. 6's...1917	3,399,000	J & J	93	Sept.30,'98	95	92⅞	75,000
Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & J	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	116	Aug.10,'98	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series B 5's................1899–1914	1,000,000	M & N	....		....	....	....
" C 5's..................1900–1915	1,000,000	A & O	....		....	....	....
" D 4½'s.................1901–1916	1,000,000	J & J	....		....	....	....
" E 4's..................1907–1917	1,000,000	J & D	....		....	....	....
" F 4's..................1908–1918	1,000,000	M & S	....		....	....	....
" G 4's..................1908–1918	1,000,000	......	....		....	....	....
Small bonds........................	....	......	....		....	....	....

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.*	SEPTEMBER SALES. *High.*	*Low.*	*Total.*
Vermont Marble, 1st s. fund 5's..	1910	640,000	J & D	....	....	....	....	....
Western Union deb. 7's.....	1875-1900	3,680,000	M & N	107	Sept.23,'98	107	105⅛	2,000
" 7's, registered...........	1900		M & N	105	Mar. 11,'98	....	....	....
" debenture, 7's.......	1884-1900	1,000,000	M & N	105¼	July 7,'97	....	....	....
" registered..................			M & N	104¼	Nov. 12,'97	....	....	....
" col. trust cur. 5's	1938	8,502,000	J & J	113	Sept.28,'98	113	113	18,000
Mutual Union Tel. s. fd. 6's....	1911	1,957,000	J & J	112½	Sept. 8,'98	112½	112½	2,000
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	....	....	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's..	1947	1,150,000	J & D	....	....	....	....	....
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	13,061,000	M & N	115	Sept.30,'98	115⅛	114	49,000
Columbus Gas Co., 1st g. 5's.....	1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's.......	1923	4,313,000	J & J	93¾	Sept.30,'98	94⅝	93	163,000
Detroit Gas Co. 1st con. g. 5's....	1918	1,049,000	F & A	94	Aug.10,'98	....	....	....
Edison Elec. Illu. 1st conv. g. 5's.	1910	4,312,000	M & S	110	Sept.27,'98	110	110	5,000
" 1st con. g. 5's............	1995	2,156,000	J & J	117½	Sept.27,'98	117½	117½	6,000
" 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	....	....	....
General Electric Co. deb. g.5's...	1922	6,000,000	J & D	108	Sept.29,'98	108	108	10,000
Grand Rapids Gas Light Co. 1st " g. 5's....................	1915	1,225,000	F & A	92½	Mar. 11,'95	....	....	....
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	105	Sept.30,'98	105⅛	104½	57,000
" small bonds............				97½	Nov. 1,'95	....	....	....
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	107	Sept.30,'98	107	107	2,000
" 1st con. g 6's............	1943	4,900,000	A & O	117½	Aug.23,'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	106½	Sept.22,'98	106½	106½	8,000
Con. Gas Co.Chic. 1st gtd.g.5's.	1936	4,346,000	J & D	104	July 21,'98	....	....	....
Eq.Gas&Fuel,Chic.1stgtd.g.6's.	1905	2,000,000	J & J	103¼	Sept.29,'98	104⅞	103¼	15,000
MutualFuelGasCo.1stgtd.g.5's.	1947	5,000,000	M & N	105¼	Sept. 2,'98	105¼	105¼	15,000
Western Gas Co. col. tr. g. 5's....	1933	3,805,500	M & N	101	Mar. 16,'98	....	....	....

BANKERS' OBITUARY RECORD.

Bayard.—Samuel Bayard, President of the Old National Bank, Evansville, Ind., died at Saratoga Springs, N. Y., September 3, aged about seventy-three years. He had been associated with the banking business at Evansville since 1851, with the Old National Bank and its predecessor, and had risen from the lowest to the highest position. He was a master of all the details of practical banking.

Bigelow.—James V. Bigelow, President of the Dundee (N. Y.) National Bank, died September 12, aged seventy-two years.

Bowman.—Geo. N. Bowman, of the banking firm of Downs & Bowman, Holley, N. Y., died September 17.

Brightbill.—Samuel L. Brightbill, formerly Cashier of the Annville (Pa.) National Bank, died September 18.

Brindle.—A. C. Brindle, Cashier of the First National Bank, Mechanicsburg, Pa., since 1868, died September 24, aged sixty-two years.

Burrell.—Wm. Burrell, President of the Metropolitan Savings Bank, New York, died October 3.

Cheney.—George E. Cheney, President of the Security Bank, Creighton, Nebr., was killed by falling down a hotel elevator shaft, September 15.

Cole.—Joseph E. Cole, President of the First National Bank and the People's Savings Bank, Woonsocket, R. I., died September 9, aged seventy-five years. He was extensively engaged in the manufacture of woollen goods, and was for over forty years treasurer of the Harris Woolen Co., one of the largest manufacturing corporations in the United States.

Cook.—Lyman Cook, President of the First National Bank, Burlington, Iowa, died October 1, aged seventy-eight years. He was Mayor of Burlington for three terms and had been a member of the Iowa Senate.

Dewey.—Hiram K. Dewey, Cashier of the Barton (Vt.) National Bank since 1875, died September 8, aged sixty-six years. In 1892 he was a member of the Vermont Legislature.

Elwood.—S. Dow Elwood, President of the Wayne County Savings Bank, Detroit, Mich., and one of the most prominent bankers of that State, died September 20.

Mr. Elwood was born in Otsego county, N. Y., December 25, 1824. In early life he taught school, and was also for a time employed as clerk in a country store. In 1849, during the gold excitement, he went to California, returning East after a few years. He was for a time engaged in the book trade in Detroit, and in 1866 was interested in a bank in the vicinity of the Canadian oil regions.

In 1877 Mr. Elwood founded the Wayne County Savings Bank, at Detroit, which under his management has attained a high degree of strength and prosperity. The enviable position which the bank occupies is a monument to the ability of Mr. Elwood as a banker. In other than his business relations he also possessed qualities which won him the love and respect of his fellow men.

Guest.—J. Wesley Guest, Cashier of the Continental National Bank, Baltimore, Md., died September 13, aged sixty-seven years. When a young man he entered the National Bank of Commerce, and afterward became Cashier of the Citizens' National Bank, holding this position for over thirty years. He was one of the promoters of the Continental National Bank.

Hertges.—Geo. W. Hertges, President of the First National Bank, Hoquiam, Wash., and also President of the Montesano State Bank, in that State, died in Chicago September 14.

Howes.—Felix C. Howes, Cashier of the Los Angeles (Cal.) National Bank, died September 14.

Hutchinson.—John Hutchinson, President of the Branford (Ct.) Savings Bank, died September 17, aged about fifty years.

Kane.—Amos J. Kane, formerly engaged in banking in Kansas, died at Topeka, Kans., September 21.

Lincoln.—Hon. Fred. W. Lincoln, who was Mayor of Boston for seven terms, and who was Vice-President of the Boston Safe Deposit and Trust Co., and President of the Franklin Savings Bank, Boston, died September 13, aged eighty-one years. He had successfully filled a number of important public offices.

Lynch.—Patrick Lynch, active in business enterprises at Syracuse, N. Y., died September 15. He was President of the old Syracuse City Bank, which went out of business many years ago.

Perkins.—Judge A. D. Perkins, President of the First National Bank, Windom, Minn., died September 24.

Ross.—C. J. Ross, Vice-President of the Exchange National Bank, Spokane, Wash., and one of the pioneer settlers of that place, died September 5.

Shattuck.—F. K. Shattuck, ex-Mayor of Oakland, Cal., and President of the Commercial Bank, Berkeley, and the Berkeley Bank of Savings, died September 9. He was born in Essex county, New York, in 1825. He was one of the prominent business men of the State of California.

Stickney.—Capt. John K. Stickney, Vice-President of the Watertown (Mass.) Savings Bank, ex-member of the Legislature, and former Cashier of the Union Market National Bank, Watertown, died September 23.

Tompkins.—Hon. Henry Clay Tompkins, President of the First National Bank, Montgomery, Ala., a director in two other banks, a leading lawyer of the State and identified with a number of business enterprises, died September 12, aged fifty-four years. He was a native of Virginia, fought on the Confederate side in the Civil War, and had been prominent in politics. He had served as Attorney-General of the State for two years.

Townsend.—John P. Townsend, President of the Bowery Savings Bank, New York city, died September 11 at his country home, Tarrytown, N. Y. Mr. Townsend was born at Middlebury, Vt., in 1832. Shortly afterward he removed with his parents to Troy, N. Y., and in early life came to New York. He was engaged in the export business for many years. In 1885 he was elected President of the Maritime Exchange, and in 1894 succeeded Edward Wood as President of the Bowery Savings Bank. The bank has the largest deposits of any Savings bank in the country.

Warren.—Wm. H. Warren, President of the Bank of Shelbina, Mo., died September 7.

Warriner.—James L. Warriner, President of the Agricultural National Bank, Pittsfield, Mass., since 1889, died September 13, aged sixty-nine years.

Williams.—Fletcher Williams, President of the First National Bank, Newark, N. Y., died September 7, aged eighty years. He founded the first bank at Newark, the Bank of Newark, which he conducted for about ten years, when the First National Bank was established, of which Mr. Williams has always been President and the principal stockholder.

Wood.—Samuel Wood, President of the Northboro (Mass.) National Bank, died September 7 at the age of sixty-eight years.

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.	September Sales. High.	September Sales. Low.	September Sales. Total.
Beech Creek 1st. g. gtd. 4's.....1936	5,000,000	J & J	108½	Nov. 16,'97	....	....	....
" registered		J & J	106	June 17,'98	....	....	....
" 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	95	July 28,'98	....	....	....
" 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	125	Sept. 23,'98	125¼	125	31,000
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	107	Aug. 13,'98	....	....	....
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,'98	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	123	June 23,'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	1,041,000	A & O	104¾	Aug. 13,'98	....	....	....
" con. co. 1st 7's.........1900	9,529,000	J&J	107¼	Sept. 26,'98	107¼	107	24,000
" con. 1st registered....1900		Q J	106½	Sept. 2,'98	106½	106½	4,000
" con. co. 2d 7's.........1903	8,986,000	J&D	117	Aug. 31,'98	....	....	....
" con. 2d registered....1903		J&D	115¾	June 16,'98	....	....	....
" g 3½s...................1997	27,412,000	J & D	106½	Sept. 29,'98	106½	105¾	85,000
" " registered............		J & D	105¾	Aug. 16,'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	....	....	....
Michigan Cent. 1st con. 7's.....1902	8,000,000	M & N	112	Sept. 12,'98	112	112	1,000
" 1st con. 5's............1902	2,000,000	M & N	105½	Sept. 14,'98	107	105½	31,000
" 6's......................1909	1,500,000	M & S	122	Feb. 25,'98	....	....	....
" coup. 5's...............1931	3,576,000	M & S	121¼	June 21,'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	....	....	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's.1937	19,425,000	A & O	107	Sept. 30,'98	107	105¾	66,000
" registered................		A & O	104	Apr. 21,'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	161	Sept. 30,'98	161	160	14,000
" small certifs............$100	1,480,000	......	155	Sept. 1,'98	155	155	100
Housatonic R. con. g. 5's.........1937	2,838,000	M & N	126½	Aug. 26,'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	120½	Sept. 22,'98	120½	120	10,000
" 1st 6's...................1905	4,000,000	J & J	114	Aug. 18,'98	....	....	....
N.Y., Ontario & W'n con. 1st g. 5's 1939	5,600,000	J & D	107⅝	Sept. 29,'98	107⅝	107	190,000
" Refunding 1st g. 4's.....1992	8,375,000	M & S	102½	Sept. 30,'98	102½	98⅝	167,000
" 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	7,261,000	J & J	114	Sept. 27,'98	114	113	4,000
" registered................		J & J	113½	Sept. 27,'98	113½	112½	11,000
St. Paul & N. Pacific gen 6's....1923	7,985,000	F & A	129½	Sept. 8,'98	129½	129½	25,000
" registered certificates....		Q F	130	Sept. 28,'98	130	130	12,000
N. P. Ry prior ln ry.&ld.gt.g.4's..1997	86,104,000	Q J	101⅝	Sept. 30,'98	101⅝	100¼	1,265,000
" registered..................		Q J	100½	Sept. 30,'98	101⅛	99½	104,000
" gen. lien g. 3's..........2047	56,000,000	Q F	67¼	Sept. 30,'98	69	66½	2,018,000
" registered..................		Q F	....	....	....	....	....
Nor. Pacific Term. Co. 1st g. 6's..1933	3,891,000	J & J	112	Sept. 13,'98	112	112	3,000
Norfolk & Southern 1st g. 5's....1941	750,000	M & N	102	June 27,'98	....	....	....
Norfolk & Western gen. mtg. 6's.1931	7,283,000	M & N	123	Sept. 12,'98	123	123	1,000
" New River 1st 6's........1932	2,000,000	A & O	124	Sept. 1,'98	124	124	4,000
" imp'ment and ext. 6's...1934	5,000,000	F & A	117½	Aug. 30,'98	....	....	....
" Sci'o Val & N.E. 1st g. 4's.1989	5,000,000	J & N	92	Sept. 29,'98	93	90	40,000
" C. C. & T. 1st g. t. g g 5's 1922	600,000	J & J	101	Feb. 23,'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.*	SEPTEMBER SALES. *High*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
Norfolk & West. Ry 1st con. g. 4s.	1996	23,319,100	A & O	85¾	Sept.30,'98	86	85	226,000
• registered			A & O	....	....	....	....	....
• small bonds			A & O	....	....	....	....	....
Ogdb'g & L. Chapl. 1st con. 6's	1920	3,500,000	A & O	49	Apr. 13,'98	....	....	....
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	84	Sept. 8,'98	84	84	1,000
• gen. mortg. g 4's	1921	1,548,000	M & N	9	Sept. 7,'98	9	8½	25,000
• gen. eng. Trust Co. certs...		1,255,000	......	8½	Sept. 8,'98	8½	8½	7,000
Omaha & St. Lo. 1st g 4's	1901	2,376,000	J & J	80	Sept.20,'98	80	80	1,000
Oregon Ry. & Nav. 1st s. f. g. 6's	1909	1,427,000	J & J	113½	Sept.22,'98	114½	113½	21,000
Oregon R. R. & Nav. Co. con. g 4's	1946	18,753,000	J & D	99½	Sept.30,'98	100⅛	99	159,000
Oregon Short Line 1st g. 6's	1922	13,651,000	F & A	126½	Sept.30,'98	127½	126	26,000
Utah & Northern 1st 7's	1908	4,993,000	J & J	121	June 18,'98	....	....	....
• 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	106	Sept.27,'98	107	105½	65,000
• non-cum. inc. A 5's	1946	7,185,000	SEPT.	74⅞	Sept.30,'98	75½	73	272,500
• non-cum. inc. B.&col. trust		14,841,000	OCT.	57⅞	Sept.30,'98	58½	56½	802,000
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	104⅜	Sept.28,'98	106	103¾	109,000
Panama 1st sink fund g. 4½'s	1917	1,859,000	A & O	....	....	....	....	....
• 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	114¼	Sept.15,'98	114¼	112	15,000
• reg	1921		J & J	110	July 8,'98	....	....	....
• 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	Sept. 7,'98	113	112½	5,000
• Series B	1942	10,000,000	A & O	113⅝	Sept.28,'98	113⅝	113⅝	1,000
• Series C	1942	2,000,000	M & N	105	Jan. 16,'97	....	....	....
• Series D gtd. 4's	1945	4,863,000	M & N	104½	Sept.22,'98	104½	104½	3,000
Pitts., C. & St. Louis 1st c. 7's	1900	6,863,000	F & A	108	June 6,'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	....	....	....
• 2d 7's	1912	2,546,000	J & J	140	Aug.18,'98	....	....	....
• 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,'93	....	....	....
Cleve. & Pitts. con. s. fund 7's	1900	1,810,000	M & N	107	May 25,'98	....	....	....
• gen. gtd. g. 4½'s Ser. A.	1942	3,000,000	J & J	113	Apr. 18,'95	....	....	....
• Series B.	1942	1,699,000	A & O	....	....	....	....	....
G. R. & Ind. Ex. 1st gtd. g 4½ g	1941	4,447,000	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	....	....	....	....	....
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	....	....	....	....	....
Sunbury & Lewiston 1st g. 4's	1936	500,000	J & J	....	....	....	....	....
Peo., Dec. & Ev. Tr. Co. ctf. 1st g. 6's	1920	1,140,000	J & J	101½	Aug.12,'98	....	....	....
• Ev. div. Tr. Co. cf 1st g. 6's	1920	1,433,000	M & S	96	June 28,'98	....	....	....
• Tr. Co. ctfs. 2d mort 5's	1926	1,851,000	M & N	18½	June 2,'98	....	....	....
• • 1st instal. paid		....	......	....	....	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,500,000	Q F	120	May 11,'98	....	....	....
• 2d m 4½'s	1921	1,499,000	M & N	90	Sept.22,'98	90	90	1,000
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....

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.*	September Sales. *High.*	September Sales. *Low.*	September Sales. *Total.*
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	110½	Sept.26,'98	110½	109	56,000
" 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	91	Sept.30,'98	91⅝	90	87,000
" Mort. g. 5's	1891–1941	3,500,000	M & N	50	Aug.17,'98	....	....	....
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	82⅝	Sept.30,'98	84¼	81⅞	781,000
" registered			J & J	....	....	....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	88	Sept.30,'98	90	88	119,000
Rio Grande Junc'n 1st gtd. g. 5's	1939	1,850,000	J & D	91	June 16,'98	....	....	....
Rio Grande Southern 1st g. 3-4	1940	4,510,000	J & J	71½	Sept.28,'98	71½	71½	10,000
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	79	Sept.28,'98	79⅝	78¾	92,000
St. Louis & San F. 2d 6's, Class A	1906	500,000	M & N	114	July 20,'98	....	....	....
{ " 2d g. 6's, Class B	1906	2,725,000	M & N	115	Sept.30,'98	115⅝	115	7,000
{ " 2d g. 6's, Class C	1906	2,400,000	M & N	115	Sept. 8,'98	115½	115	5,000
{ " 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	119⅞	Sept.30,'98	120	119¼	45,000
{ " gen. g. 5's	1931	12,293,000	J & J	105½	Sept.30,'98	106¼	105	114,000
{ " 1st Trust g. 5's	1987	1,099,000	A & O	100	Sept.29,'98	100	100	10,000
{ 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	79	Sept.30,'98	81	78½	68,000
{ " South'n div. 1st g. 5's	1947	1,500,000	A & O	97¾	Aug.22,'98	....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs.	1989	20,000,000	M & N	79	Sept.30,'98	79⅝	78	285,000
" 2d g. 4's inc. Bd. ctfs.	1989	8,000,000	J & J	32	Sept.29,'98	33⅝	31½	142,000
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	107½	Sept.20,'98	107½	107	8,000
St. Paul, Minn. & Manito'a 2d 6's	1909	8,000,000	A & O	122½	Aug.16,'98	....	....	....
{ " Dakota ext'n 6's	1910	5,676,000	M & N	123	Sept.20,'98	123	123	2,000
{ " 1st con. 6's	1933	13,344,000	J & J	132¼	Sept.23,'98	132¼	132¼	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	109	Sept.27,'98	109	108½	19,000
{ " 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	100¼	Sept.23,'98	101	99½	16,000
{ " 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	126	Sept. 7,'98	126	126	1,000
{ " 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
{ " 1st g. g. 5's	1937	2,700,000	J & J	112½	Sept.22,'98	112½	108½	3,000
{ " registered			J & J	....	....	....	....	....
{ Eastern Minn, 1st d. 1st g. 5's	1908	4,700,000	A & O	110½	Sept. 7,'98	110½	110½	2,000
{ " registered			A & O	....	....	....	....	....
{ Willmar & Sioux Falls 1st g. 5's	1938	3,625,000	J & D	113	Aug.26,'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	98	Sept.23,'98	99¼	97½	40,000

133-136 missing

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.	SEPTEMBER SALES. High.	SEPTEMBER SALES. Low.	SEPTEMBER 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	103½	Sept. 29, '98	103½	103½	1,000
" Mex. & P. div 1st g 5's	1931	13,418,000	M & N	99¼	Sept. 30, '98	99¼	98	140,000
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	113	Sept. 14, '98	112	113	1,000
" con. g 6 s int. gtd	1912	3,455,000	A & O	112	Sept. 30, '98	112	109½	5,000
" gen. g 4's int. gtd	1921	4,297,000	A & O	84½	Sept. 30, '98	84¾	82	152,000
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	68	Sept. 30, '98	68¾	65¾	1,042,000
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	101¾	Sept. 30, '98	102	100¾	142,000
South'n Pac. of Ariz. 1st 6's	1909-1910	10,000,000	J & J	108¼	Sept. 29, '98	108¾	106½	80,000
South. Pac. of Cal. 1st g 6's	1905-12	30,577,500	A & O	110½	Aug. 10, '98	....	....	....
" 1st con. gtd. g 5's	1937	19,671,000	M & N	102¾	Sept. 20, '98	102¾	102	61,000
Austin & Northw'n 1st g 5's	1941	1,920,000	J & J	87¾	Sept. 20, '98	88	87¾	15,000
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	109½	Sept. 29, '98	110	108	120,000
Southern Railway 1st con. g 5's	1994	27,859,000	J & J	97¼	Sept. 30, '98	98½	96½	617,000
" registered			J & J	....	....	....	....	....
" Memph. div. 1st g. 4-4½-5's	1996	5,083,000	J & J	105	Sept. 22, '98	105	104¾	5,000
" registered			J & J	....	....	....	....	....
East Tenn. reorg. lien g 4's	1938	4,500,000	M & S	101	Sept. 29, '98	101	100	14,000
" 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	118	Sept. 30, '98	118	118	1,000
East Tenn., Va. & Ga. 1st 7's	1900	3,123,000	J & J	106½	Sept. 26, '98	106½	106¼	6,000
" divisional g 5's	1930	3,106,000	J & J	115	Sept. 22, '98	115	114	14,000
" con. 1st g 5's	1956	12,770,000	M & N	113	Sept. 23, '98	113½	113	22,000
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	121	Sept. 16, '98	121	120½	8,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	116	Sept. 29, '98	116	116	1,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	122½	Aug. 11, '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	104	Sept. 14, '98	104	104	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	108	Sept. 29, '98	108	108	7,000
" gen. 5's. gtd. stamped	1926	2,466,000	M & N	107¾	Sept. 29, '98	107¾	107¾	1,000
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	90	Aug. 25, '98	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	113½	Aug. 25, '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	....	....	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	112¾	Aug. 16, '98	....	....	....
" 1st con. g. 5's	1894-1944	4,500,000	F & A	110	July 22, '98	....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	108	Oct. 27, '98	....	....	....
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	105½	Sept. 13, '98	106½	105½	1,000
" 1st gold 5's	2000	21,216,000	J & D	107	Sept. 30, '98	107	106	94,000
" 2d gold income, 5's	2000	23,227,000	MAR.	44⅛	Sept. 30, '98	47½	43	2,406,500
Third Avenue 1st g 5's	1937	5,000,000	J & J	122½	June 20, '98	....	....	....

THE

BANKERS' MAGAZINE.

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SECOND YEAR. NOVEMBER, 1898. VOLUME LVII, No. 5.

THE WAR WITH SPAIN seems to be regarded by many as having been the immediate cause of the strong sentiment which has made itself manifest in favor of a strong foreign policy having for its object the acquirement of new territory and population, the expansion of foreign trade and the acquisition of foreign markets. The war, however, has merely hastened what otherwise would have been inevitable later on. The production of raw material and manufactures in the United States has for several years shown symptoms of having outgrown the home markets practically monopolized by it under a protective tariff, and has been pressing hard for new fields.

The extremely low prices following the financial crisis of 1893 resulted in an exportation of American manufactures unprecedented in the history of the country. This increase in exportation has opened many new foreign markets, and has given to American manufacturers an ardent desire to still further develop foreign trade. It is now seen that the doctrine of the protection of home industries can not be accepted in too narrow a sense. Protection of the producers, manufacturers and business men of the nation involves a consideration of the chances of competition not only in domestic but also in foreign markets. It requires for its proper development into a practical system the increase of tariff protection in some directions and its relaxation in others. The lines of protection laid down at earlier stages of national development have been successively outgrown. The nation has at certain periods found it necessary to enlarge the garments of its policy. Such a period of automatic enlargement had nearly if not quite arrived when war was declared by Spain, and therefore care must be taken not to ascribe to the war results which are in reality due to causes lying much further back and which sooner or later would have manifested themselves, even if there had been no war.

It is a very common fallacy to treat coincident events as cause and effect, particularly when one or the other of these events is calculated to make a great impression on the human imagination. Nothing could be more conspicuous or striking to the imagination of the people of the United States than the Spanish war, with its attendant sequels, the annexation of the Sandwich Islands, the acquisition of Porto Rico, the probable annexation of Cuba and the possible retention of the Philippine Islands.

The impulse toward the expansion of trade in foreign markets, which was just making itself felt, would no doubt have continually increased, and have affected State policy just as surely if there had a been no war. More properly the demand for an aggressive policy toward Spain was one of the symptoms of the state of unrest and suppressed force which precedes great national changes.

The territory and population which may be actually acquired by the war are in themselves of comparatively little importance in affording the foreign market which the energy and enterprise of the nation require. The acquisition of this territory, however, gives a valid and convincing reason for a departure from the lines of protection hitherto pursued by the part of the nation which has devoted itself to building up the manufacturing and producing forces of the country from a state of weakness to a condition when the home market is inadequate.

It is reasonable that these forces should still be suitably supported by State policy, under their new conditions as they were under the old. Without being paternal, a government should pursue a policy that puts no hampers on the industrial and commercial strength of its people.

In the protection and improvement of the populations of the new territory which may be acquired the United States will find it necessary to adopt methods which will apply equally well to the protection and advancement of the foreign commerce of the nation in all parts of the world.

It is not unusual to hear trade spoken of as peaceful. All trade, however, implies a contest, even for the possession of domestic markets, and much more for the possession of foreign markets. It requires the strong hand of government to prevent ordinary domestic competition from degenerating into riot and war. All commercial nations engaged in foreign trade recognize the necessity of the maintenance of powerful navies to insure that commerce under the national flag shall be sustained in all its recognized rights. The development of the foreign commerce of the United States requires that this country, like other commercial nations, shall have a powerful navy to maintain these rights. The acquisition of territory that can not be reached by land carriage encourages the development of a navy more rapidly than would otherwise have been the case, and the existence of this navy will render the entrance of American enterprise in foreign markets all over the world more easy.

It is probable that there would have been expansion of the foreign commerce of the United States if there had been no Spanish war, and that the expansion would have been followed by the development of a State policy, more or less imperial, as it is styled, to sustain it. But without the war great political contests might have been necessary before this new policy could have been inaugurated. The war, in other words, gives an easy introduction to what otherwise would have eventually forced its way to popular recognition, with great political turmoil which might have indirectly cost the country more than the war.

It is to be anticipated that under present conditions a modification in the general tariff policy of the United States will be gradually brought about, without exposing those who make the changes to charges of inconsistency.

THE VALUE OF BANK EXAMINATIONS, as at present practiced, has again become a subject of discussion owing to some recent failures of banks. The cause of these failures in almost every instance seems to have been the use of the bank's funds by the officers in a manner either fraudulent or unwarranted either by law or by the custom of good banking. No one of the failures can be taken to indicate any weakness existing among banks generally, although they may have the effect of causing the public to watch very closely the personal business operations of the man who is at the head of the institution in which they may be interested as depositors.

The run on a bank in New York city, declared perfectly solvent by the clearing-house committee, appears to have been caused by suspicion aroused by the President offering his paper for sale through note brokers.

These failures of National banks have called out the usual animadversions upon the system of examinations conducted under the oversight of the Comptroller of the Currency. Under this system, or any other system of examinations conducted by public authority, or in fact conducted under any authority, it is impossible to do more than discover practices by which banks are crippled or wrecked after such practices have been indulged in. It is a matter of pure chance whether the bank is slightly or dangerously injured when the examiner makes the discovery. All that can be done is to prevent further mischief and preserve what is left for the depositors and stockholders. In the case of the Tradesmen's Bank in New York the discovery of the condition of affairs was made by the committee of the New York Clearing-House, which after an examination called in the National bank examiner.

Notwithstanding the fact that disasters do occur despite the most complete systems of governmental supervision, it is true that such a system reduces failures from the dishonesty or recklessness of bank officers to a minimum, just as a competent police force has the effect of reducing the amount of ordinary crime. But it is also true that among banks bound together in clearing-house associations such as exist in all of the large cities and many of the smaller places in the country, the clearing-house committee appointed for such purpose has a still more beneficial effect in preventing failures of a disastrous character than does the supervision of the Comptroller of the Currency or of the several State banking departments. The clearing-house committee in a large city is in a position to hear and weigh the earliest rumors which tend to arouse suspicion as to the conduct of any bank within its jurisdiction, and can often prevent the spread of unjust suspicion, founded perhaps on malicious rumors, as well as act quickly when the rumors turn out to be founded on fact.

So high does the New York Clearing-House Association stand in the estimation of the public, that its published assurance that a bank is solvent and that the public has no cause for alarm will at once put an end to an incipient run of depositors for their money.

It would seem at first sight at least that the Government examiners, National and State, might add to their efficiency by acting in concert with the clearing-house committee. If, for instance, an examiner shall find a large part of the assets of a bank dependent for value on some particular class of security of the value of which he may be uncertain, it would seem that he might, by consulting the clearing-house committee, discover what effect upon the general standing of the bank this locking up of its assets in a particular direction might have.

In the case of the Tradesmen's National Bank again, it seems a large part of its assets was loaned on the security of certain wool companies. This fact was discovered by the National bank examiner at previous examinations. He does not, however, seem to have made any attempt to probe the value of this security. It was the attempt of the President to borrow money, presumably to tide the bank over a tight place, brought to the notice of the clearing-house committee, which caused this committee to make the examination that resulted in the closing of the bank. This attempt of the President to borrow was evidently looked on as a confession of weakness. Yet it is not improbable that if the examiner, when he discovered at a previous examination so large a portion of the assets of the bank diverted in a direction where the President had large interests, had consulted with the clearing house committee, the management of the bank might have been changed in time to have prevented actual insolvency.

But while in some cases consultation with the clearing-house committee as to discoveries made in particular banks during his official examinations might bring about good results, yet in other cases much mischief might be done and useless animosity aroused. In fact, if this method of strengthening his examinations were adopted by an examiner, it would have to be used with great tact and delicacy, and perhaps might in the end have the effect of causing the examiner to be feared as one likely to reveal important business operations to competitors.

The whole matter of bank examinations is one of great difficulty. More than nine-tenths of the banks of the country are conducted in a manner above reproach. Of those that do not quite reach the highest standard, the greater part are conducted honestly and safely. The small number whose management is such as to point to disaster are in most part known to the authorities and are carefully watched and admonished to change their ways. But notwithstanding all this banks will occasionally come to grief from sudden and unexpected causes. The public never hears of the banks which have been saved from positions of danger by timely discoveries by the examiner, and timely action by the Comptroller of the Currency or by the superintendents of the State banking departments. These things can not be made public. But when a failure does occur, then the system of Government supervision comes in for detraction and censure.

CURRENCY AND BANKING STATISTICS are presented in great profusion in a valuable document recently issued by the Bureau of Statistics of the Treasury Department. It gives complete statistics, for the period 1789–1898, of the coinage and currency of the National, State, Private and Savings banks, of the production and value of the precious metals, and of the bonded and other debt of the United States. These statistics are condensed and arranged from the reports of the appropriate bureaus of the Treasury Department. There is added also valuable information as to the resources, liabilities and business of foreign banks.

All of these statistics go to prove the position of those who are in favor of sound and honest money and the extension of the currency privilege granted to the National banks. In the face of such a mass of facts of the most authentic kind contained in this document, and in the documents referred to as the sources of information, it seems incredible that any man claiming to be reasonable can still honestly support bimetallism (so-called) or remain opposed to the regulation of the banking systems of the country on more liberal principles. Before any court of justice as ordinarily constituted this evidence would carry the day. But in popular discussions, where the mass of the people are the judges, even evidence as weighty as this does not seem to have the effect it should.

At the recent discussion of the monetary situation in Omaha, the greater part of these documents and statistics were relied on as the foundation of their arguments by the advocates of currency reform. Their opponents, however, undertook to deny the veracity, if not the authenticity, of the whole mass of Government statistics, claiming that they were specially prepared for the purpose of furthering the alleged conspiracy for the demonetization of silver. This was the only way in which the force of arguments founded on the records of the financial history of the country could possibly be parried. The art of stump speaking and popular agitation has of course always been conducted on different principles from those which it is necessary to adopt where investigations are conducted solely for the purpose of arriving at the truth. The judge at a political mass meeting or convention held to discuss any question having a political bearing is not only the immediate audience who may be present, but also the whole people who may read the discussions after they are printed and published.

The audience at Omaha was made up of people sufficiently interested in one side or the other of the monetary question to take the trouble to be present and listen to the speakers. Among these it might be difficult to change many votes, because the majority of them went as determined partisans of one side or the other, and were therefore in great measure impervious to arguments or proofs that told against their preconceived opinions and tenets. But with the great mass of the people who shall read the published discussion the case will be different. The attack made on the truth of the statistics collected by governmental authority since the foundation of the Government will in the minds of candid men react on its authors. Those who rebel against all authority may temporarily gain their point, but the great majority of men soon see that the result of such rejection of all authorized evidence would be confusion and anarchy, and they lose confidence in the men or factions who are obliged to resort to such methods to gain their point.

A favorite tenet of the so-called bimetallists is that by the demonetization of silver in 1873 one-half of the circulating medium of the country was suppressed. The document issued by the Bureau of Statistics collates from the records of the Loans and Currency Department of the Treasury the money of all kinds in circulation in the

United States from July 1, 1860, to July 1, 1898. In 1873 there was no silver coin of any sort in circulation, but the circulating medium was made up of legal-tender notes, National bank notes, fractional currency, and some gold coin on the Pacific coast. There was no change in the amount or character of money until after 1879, when both gold and silver began to increase. From about $750,000,000, in 1873, the actual money in the country had, in 1898, increased to over $1,800,000,000.

In like manner every argument against the banking systems in operation, either under Federal or State charters, which are indulged in by demagogues can be shown to be unfounded by statistics taken from authentic documents, and the whole fabric of the agitation in favor of silver and greenback money at once falls to pieces when confronted by the facts as shown by the record.

The dissemination of these convincing documents must in time so appeal to the intelligence of the people that any man who shall dare to rise before an audience and pretend that all the various branches of the United States Government have been in a conspiracy to manufacture statistics to support the gold standard, will cover himself with deserved ridicule. Every one of the figures in the document published by the Bureau of Statistics can be traced back to the reports of the Treasurer of the United States and the Comptroller of the Currency or the Director of the Mint. Such figures in the reports of these officials as relate to the money in the United States can be traced back to the books kept in those offices, which are and must be complete records of the dealings from day to day of those offices with the public. No one disputes the correctness of these books when he either as debtor or creditor has dealings with the Government, any more than he would dispute the genuineness of notes or gold paid out by the Treasury.

Those who contend that Government statistics are made up to deceive the people for political ends are the real deceivers of the public. They are, in a political sense, as great frauds as the green-goods men who pretend that the Government permits political favorites to procure genuine plates, and print and sell money at a discount to anyone who will buy.

THE MCCLEARY BILL for currency reform will probably come before the House early in the approaching session of Congress, if the supporters of this reform do not slacken their efforts.

This bill provides stronger methods for maintaining the parity between gold and silver money now in circulation. It relieves the Treasury from the pressure for 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 founded substantially on the idea first suggested by the Editor of the MAGAZINE, in his plan proposed at Baltimore in 1894.

At the convention of the American Bankers' Association in that city in the year mentioned, what has since been known as the Baltimore plan of bank currency was presented to the convention under the auspices of the bankers of that city. Mr. HENDRIX, retiring President of the American Bankers' Association, in his recent address at Denver, justly observes of this plan, that it "was merely a theorem in banking based upon the experience of England, Scotland, Canada, and upon facts developed under our State and National banking systems." The principle involved was that "of a currency based upon bank assets and secured by a first lien, double liability of stockholders, and a five per cent. guarantee fund."

The Editor of the MAGAZINE, recognizing the fact that there could be no bank currency system successfully introduced in the United States as long as the currency field was so fully occupied by Government notes, proposed a plan which he thought would remove this difficulty and prepare the way for the introduction of the Baltimore plan. His plan was virtually to retire the legal-tender notes and Treasury notes, by using them as security for National bank circulation instead of bonds, allowing such a proportionately excessive issue of bank notes over the Government notes deposited as would induce the banks to gather up the notes and place them in the custody of the United States Treasury. The Treasury holding by this method the greater portion of its demand notes, although merely as trustee for the banks, would be relieved at once of any pressure for their redemption. But as the revenues and condition of the Treasury permitted the Government was gradually to redeem the notes in gold and cancel them, returning the gold to the banks as the redemptions progressed, the banks to hold this gold as a part of their assets, and by degrees during a longer or shorter period, at most of ten or twelve years, the legal tenders and other Government notes would all be cancelled, and the circulation of the banks would in this longer or shorter period work from a system of security consisting of a special deposit, to a system identical with the Baltimore plan. The RHODES plan supplied the bridge which it was absolutely necessary should convey the banks from the present currency system to a sounder and more scientific system. The course of agitation of this reform since 1894 has proved that some such method of transition was necessary before the merits of the Baltimore plan could be popularly recognized. The plans since proposed by Secretaries of the Treasury and by the

Monetary Commission have recommended such a gradual transition. It is plain now, if the RHODES plan could have been adopted in 1894, that at the present time the banks of the country would have been virtually on the Baltimore plan to-day.

The McCLEARY plan now before Congress, while more complicated in many of its details, virtually proceeds on the idea of retiring Government notes by using them as security for circulation instead of bonds. Under it the banks are to deposit legal-tender notes, and receive in exchange double the amount in other notes, one-half called reserve notes, while immediately redeemable by the bank, are ultimately redeemable by the Government. These reserve notes are fully secured by the legal-tender notes deposited. The other notes received are to be secured as provided in the Baltimore plan by the general assets of the bank and a safety fund. But the bill contemplates the retention of some bond deposits, viz., to the minimum now required by law—one-quarter of paid-in capital. On these bonds circulation to par value of bonds may be taken out. A bank with $100,000 capital under the McCLEARY bill would have $25,000 bonds on deposit on which it would take out $25,000 in notes. The whole amount of circulation to be taken out by such a bank under the bill is $60,000 or sixty per cent. of capital. Deducting the $25,000 obtained on bonds leaves $35,000 to be obtained by depositing $17,500 in Government notes, of which one-half, $17,500, rests on the general assets of the bank and a safety fund. But after one year the bank may begin to retire its bonds, at the rate of one-quarter annually, and in place of the notes based thereon take out new notes by the deposit of legal tenders. At the end of five years therefore the bank will have a circulation of $60,000 for which $30,000 in legal tenders have been deposited.

The McCLEARY bill makes the transition from the present plan to the Baltimore plan apparently more gradual than the transition proposed in the RHODES plan, but in principle the two plans are identical. The only objection to the McCLEARY plan is the timidity evinced in restricting the circulation based on general assets and a safety fund to thirty per cent. of capital, and even this percentage is only reached after the lapse of five years. This objection is, however, more apparent than real, as there is no doubt that a trial of the Baltimore plan even on this narrow margin will so recommend it to the country that its full extension to sixty or even seventy-five per cent. of capital in circulation based on assets will be a matter of a short time only.

The McCLEARY bill contains other features that recommend it which need not be discussed at present. It is necessary for those interested in currency reform to bear in mind that this bill is ready for discussion by Congress. It has gone through all the tedious preliminaries of introduction, of examination and report by the proper committee, and that in itself it now contains the germs of a practical reform of our bank currency, which if once quickened by legislation can not fail to perfect themselves in a line of most desirable development.

THE SURPLUS OF SAVINGS BANKS has been declared to be not taxable by a recent decision of the New York Court of Appeals, which will be found in full in the Law Department of this number of the MAGAZINE. There can be no doubt that the decision is based upon sound principles, both of law and equity. From the very nature of their organization it is clear that the provident Savings banks merely hold all their funds in trust for their depositors, who stand in place of shareholders of the ordinary commercial banks.

As the court held, the surplus does not belong to the bank but to the depositors; and in exempting the deposits of this class of banks from taxation it is plain that the Legislature intended also to exempt the surplus.

The surplus of a Savings bank, as such banks are organized in New York, is a fund set aside to meet contingent losses. In times when the investments of a bank do not yield the usual returns, this surplus fund makes it possible to continue the ordinary rate of dividend until financial conditions improve. In the event of the dissolution of the corporation, the surplus fund reverts to its owners—the depositors. Since all the profits of a Savings bank belong to the depositor, the surplus fund, which is but the undivided earnings, is likewise his. This is true although a surplus fund may remain intact and never be divided amongst the depositors. It is nevertheless a safeguard to the depositor, insuring him the payment of dividends and the return of his deposit when needed. He thus shares in its benefits, although it may serve only as a perpetual guaranty fund whose principal sum is never divided. If this fund were subject to taxation it would tend to decrease the earnings of the banks and would lessen the security to depositors by discouraging the accumulation of a proper surplus.

It has been the uniform policy of the Legislature and the courts of the State of New York to conserve the interests of the people who deposit their funds in the Savings banks. The wise laws under which they operate, and the skill and fidelity with which they are generally managed, have built up the deposits to $787,000,000 and the surplus to $101,600,000—the former sum being greater than the deposits of the clearing-house banks, which hold a large part of the ultimate banking reserves of the whole country. Institutions that have had such remarkable success in encouraging thrift are certainly worthy of the fostering care of the State.

Since there still appears to be some dispute in reference to the taxation of Savings bank deposits also, this question will be brought before the court for decision in the near future. In view of the existing statute, and the decision under review, it can hardly be possible that these deposits will be declared subject to a tax.

AN ELASTIC CURRENCY has been the subject of discussion and debate during the last five or ten years whenever the monetary question has been treated of. The Government can not issue an elastic paper currency, because it is not in its fiscal operations in sympathy with the real wants of business—is not in touch with them. Its only means of issuing paper money, or in fact any other kind of money, is in the payment of its own expenses. These payments, as to their amount or the time at which they are made, have no necessary reference to the demands of business; they may be small when buisness is stirring and large when business is dull. Government notes, moreover, have no force behind them compelling their redemption when they become redundant in the money market. The reason is that the coin in which they would be redeemed is not wanted by those that hold the notes, in fact it is more inconvenient to hold than the notes. The Government can not receive the notes on deposit and give credit for them. If the notes were issued by a bank instead of by the Government, the holders would present them for redemption and get a credit for them, knowing that whenever they wanted the money again they could draw a check for it. As the Government can not do this no one presents notes for redemption unless there is a suspicion of the strength of the gold reserve, or gold coin is actually wanted for use. Usually, therefore, redundant Government paper is deposited in the banks and finally accumulates at the money centers. Ordinarily the banks at these centers do not present it for redemption. If the accumulating notes had been bank notes, they would be redeemed by exchanges among the banks and put out of circulation for a time.

The only way in which a currency possessing the valuable property of elasticity can be obtained is through the banks. These institutions are intimately connected with the business public; they hold the money of the people, and to them appeals are made by those who require money. The banks are in all parts of the country, there is no city or large town without one. Every place where business is done is to-day within reach of a bank. The bank managers of the United States collectively know, or have the means of knowing, the financial standing and business capacity of every man in the United States. They can safely be trusted to issue their own notes under reasonable safeguards. If they had the privilege proposed to be given by the McCLEARY bill, they would be enabled to use the credit which the confidence of their depositors and customers gives them without danger to the community. The notes would be issued whenever the depositors or customers of the bank required money; they would serve the purpose of these borrowers, pass into the hands of other bank customers, and be redeposited either with the bank issuing them or some other. Wherever they drifted in active circulation they would sooner or later be returned to the issuing bank, either as a deposit or to be redeemed by exchange or in actual coin. The bank could then hold them to meet new demands of borrowers.

If then Government notes were retired and bank notes formed the sole paper currency, great accumulations of surplus paper money would never be experienced in the money centres. The permanent reserves would be held in gold coin, which would seldom be called upon except to settle international balances. The Government revenues themselves would be paid chiefly in bank notes or by checks, and temporary stringencies could always be allayed by the issue of more bank notes as required. The advantages of an elastic bank-note currency, well secured and protected, once experienced by the public, would never be changed for any other system.

THE GROWTH OF THE STATE BANKING SYSTEMS is shown in a document recently issued by the Bureau of Statistics. It contains the most complete collection of State bank statistics ever collated in one mass. All that has been preserved in regard to the rise and growth of the banks organized under the banking laws of the several States from 1784 to 1897 is here given. The figures cover a period of one hundred and thirteen years.

The first systematic effort to obtain and compile information and statistics showing the condition of all the banks of the United States, the need of which had been long felt, was by the passage in July, 1832, of a resolution by the House of Representatives, directing the Secretary of the Treasury to lay before the House, yearly thereafter, such statements relating to the banks organized under State laws as could be obtained from the several State officials. Previous to the passage of this resolution such information as was published on this subject was obtained by individual effort, and such statistics were naturally imperfect. Mr. GALLATIN, Mr. CRAWFORD, Secretaries of the Treasury, and Mr. NILES, editor of "Niles' Register," made efforts in this direction which were attended with little success. The statistics prior to 1834 are not for consecutive years. They are derived from "Blodgett's Economica," the reports of Secretaries GALLATIN and CRAWFORD, from "Niles' Register," and "Elliot's Funding System."

From 1834 to 1863, inclusive, the statistics are more complete, being derived from the reports obtained by the successive Secretaries of the Treasury under the resolution of 1832 referred to. From 1864 to 1872 there was again an interval during which the custom of obtaining the reports of the State banks by the Secretary of the Treasury fell into abeyance. For this period what returns there are were compiled by the Comptroller of the Currency from the reports made to the Commissioner of Internal Revenue by the State banks for purposes of taxation. On February 19, 1873, Congress enacted that the Comptroller of the Currency report annually to Congress the condition of the State banks of the country, obtaining the information from State officers and other authentic sources. From 1873 to the present time the annual reports of the Comptroller of the Currency have contained this information.

The statistics given in the publication of the Bureau of Statistics have been gathered and consolidated from the annual reports of the Comptroller of the Currency in which they were originally tabulated from the sources heretofore mentioned. As compared with the statistics of the National banks, the statistics given of the State banks are not nearly so complete or accurate. The Comptroller is authorized by law to compel National banks to make such reports as he may call for. He can, in regard to these reports, enforce almost absolute accuracy. But he has not the same authority with the State banks.

The returns from the latter are made by the courtesy of the State officials to whom the State banks may or may not be required by State law to make reports, or they are made by the courtesy of the banks themselves. There is, therefore, an incompleteness and lack of regularity as to dates in respect to the reports of the State banks which is not the case with the reports of the National banks. The same observations apply to the State bank statistics obtained by the Secretary of the Treasury from 1834 to 1863, inclusive.

But, on the whole, the statistics from 1834 to 1863 are for all practical purposes complete enough, as are those from 1873 to 1897. From 1864 to 1872, while the only items given are the number of banks and capital, yet these are no doubt as accurate as possible, having been returned under oath for purposes of taxation. The penalty for false returns was also severe.

The statistics prior to 1834 are of course very incomplete, but they no doubt give a correct idea in outline, at least, of the general condition of banking during that period, sufficiently accurate to serve as a basis for any deductions that might be found desirable.

When the national system of banking was introduced in 1863, there were then in operation State banks in the several States, not including those in rebellion, numbering 1,023. The State banks still continued to issue circulating notes, and until this privilege was taxed out of existence, in 1864, few of them became National banks. Although bonds upon which to base National bank circulation could be purchased at about par, and the profit on circulation was therefore about as great as it was under most of the State systems, yet the natural conservatism of the banking mind made State bankers loath to change. In 1864 there were 1,089 State banks reporting to the Commissioner of Internal Revenue. After the ten per cent. tax on State bank circulation was imposed, the profit in taking out national circulation induced most of the State banks to take advantage of the clause permitting them to convert to national associations. In 1865, therefore, there were but 349 State banks remaining, and in 1868 there were only 247, which was the lowest point reached in the history of the country since 1820. With the decline of profit on National bank circulation the inducement for banking capital to enlist under the national system weakened, and the number of State banks increased until, in 1887, 1,422 were reported. After this the increase in the number of State banks became still more rapid, and in 1897 3,873 reported, exceeding the number of National banks doing business in the same year.

There is no doubt that there are other reasons for the increase in the number of State banks besides the falling off of profit on National bank circulation; one of these is the fact that a State bank can be started in business with a capital much less than the minimum of fifty thousand dollars required of a National bank. For this reason State banks can be established in places which would be unable to furnish the fifty thousand dollars required by the national banking law. There is no doubt, however, that these small State banks supply a want which the national system fails to satisfy, and that they do not arouse the political animosity that is manifested against National banks. The effect of the one system on the other is, however, good. To secure deposits these small State banks have to conduct their affairs with great care and circumspection. They have to be managed by men of high character or they would not thrive as they do.

An additional reason for the large proportionate increase in the State banks as compared with the National banks is to be found in an absence of some of the restrictions which hamper the operations of National banks. This is particularly true as regards loans on real estate. The statistics show that the two classes of banks are running a pretty clóse race, with the State banks not disposed to take second place.

RESUMPTION OF THE ISSUE OF GOLD CERTIFICATES.

The propriety of resuming the issue of gold certificates by the Treasury has recently been brought up, owing to the scarcity of paper currency and the abundance of gold.

The reason for the issue of these certificates, either formerly or at the present time, lies in their affording a convenient way of using gold in large amounts for ordinary business purposes. In large transactions in modern business the use of all coined money, whether gold or silver, entails expense and inconvenience. This is especially so with the standard coined silver. The party who in 1878 secured the revival of the coinage of the silver dollar had at least the perspicacity to recognize the modern aversion to the expense and difficulty of transporting and exchanging these coins in large quantities. They made ample provision in the Act of 1878 to obviate this difficulty by the free issue of silver certificates as the working substitutes for the heavy coins. In fact they made the Treasury a warehouse for the deposit of the silver dollars, and threw upon it the expense of the transportation when redemption of the certificates was required in any part of the country to which the sub-Treasury system extended.

The gold certificates authorized by the Act of July 14, 1882, placed the holders of gold coin on an equal footing with the holders of silver dollars and permitted them to deposit their coin in the Treasury and receive a substitute which could be more conveniently handled. These certificates were receivable for all public dues, and were most acceptable as relieving the public of the largest share of all transportation charges in effecting large transfers of gold coin.

These were not the first gold certificates issued by the Treasury. Before the resumption of specie payments, on March 3, 1863, Congress authorized the issue of what were known as coin certificates. Inasmuch as the only standard coin then available was gold, these certificates were virtually gold certificates. Between 1863 and 1879, $981,834,880 of these certificates were issued. The Treasury was permitted to pay them out not only on deposits of coin but in satisfaction of the coin obligations of the Government, and the total amount at any time outstanding might exceed the coin in the Treasury by twenty per cent. The certificates of 1863 were not of the same character as those of 1882, because they represented standard coin both of gold and silver, if there had been any of the latter then in circulation. When the legal-tender notes on January 1, 1879, became redeemable in coin, the necessity for the coin certificates of 1863 seems to have terminated, and their issue was discontinued.

The Act of 1882 created specifically gold certificates, providing that their issue shall be suspended by the Secretary of the Treasury whenever the amount of gold coin and gold bullion reserved in the Treasury for the redemption of United States notes shall fall below one hundred millions of dollars. In April, 1893, this condition of affairs occurred, and the issue of gold certificates was suspended by Secretary Carlisle.

Since the banks in the financial centres have found themselves short of paper currency, and with large supplies of gold coin, which it is important that they should be able to use conveniently, the question has been repeatedly asked, what prevents the Treasury when its gold reserve fund has again risen far above the one hundred million point, from resuming the issue of gold certificates. The banks themselves, in New York and other centers, have endeavored to overcome the difficulties in the use of gold coin by certificates issued by a common depository of their own selection. These certificates are not, however, receivable by the Government, and as a very large part of the transfers of gold are between the banks and the Treasury, these certificates are not available.

The Treasury itself seems to be averse to resuming the issue of gold certificates and takes the position that the law does not compel the Secretary of the Treasury to issue gold certificates, and that it is not desirable to do so. It is said that the system enabled people to use the Treasury as a means of hoarding gold, which is always drawn out at the time when the Treasury is least able to pay it. The apparent reserve is increased to an enormous amount, but at the first approach of trouble in the money market, the reserve becomes the subject of attack and the consequent reduction increases the alarm to an extent that might not otherwise be the case.

But the question of policy must take the second place if the law of 1882 is really mandatory compelling the Secretary to issue gold certificates whenever the gold coin and bullion reserved for the redemption of United States notes exceeds $100,000,000. In other words, the policy of the Secretary must yield to the policy of Congress.

The conditions which seem to render the issue of gold certificates very desirable at the present time may be only temporary. The large transfers of gold between the Treasury and the banks, which have caused the greater part of the inconvenience, seem to have been in a great measure the consequence of the payments on account of the two hundred million loan. When the disturbance caused by this loan passes, the necessity for gold certificates may not seem so imperative. On this point it is only necessary to remark further that as to a course of action which seems to be more required at one time than it is at another, it would seem reasonable that the law should give the Secretary some discretion. If, as contended on one side, the Secretary is obliged to receive deposits of gold and issue certificates whenever the reserve on United States notes is in excess of $100,000,000, then he must issue them to any extent whether demanded by the real exigencies of the business world or by those who find the Treasury a cheap place to hoard their gold. But this does not affect the case if the law be mandatory.

In 1882 Congress thought the unlimited reception of gold on deposit, and the issue of certificates for it, necessary. On the face of the law it was proposed to let it go on until the time came when the gold reserve on United States notes should fall below $100,000,000. Then the receipt of deposits and the issue of certificates were to be suspended. The law does not say when it was to be resumed, or if it was to be resumed at all. Of course it is easy to reason that when the condition that caused the suspension has passed, the suspension should cease.

In great questions of public policy where the effect of a law has proved bad, and by some one of its conditions being fulfilled, the operation of the law has been suspended, it seems to be perfectly within the right of the ministerial hand which carries the law into effect to feel a doubt as to removing the suspension until the question can be referred to the highest judicial authority or to the law-making power.

In the law in question there is nothing to indicate, except by inference, when the suspension provided for shall cease, and the reception of deposits of gold resumed. No one can dispute that the law was mandatory so far as the issue of gold certificates is concerned, from the date of its passage in 1882 until the time arrived in 1893 when the condition requiring suspension of the issue was realized; but Congress has left it uncertain when this suspension is to cease, if at all. In other words, all that is positive and plain about the law has already been executed, and what is left is not so certain but that, notwithstanding the possibility of inference, a Secretary of the Treasury, having the best interests of the country in view, is perfectly justified in exercising his discretion until he is further instructed either by competent judicial authority or by Congress.

On wider grounds it is believed that the whole policy of making the Treasury a warehouse for the storage of either gold or silver coin belonging to private parties, is unsound. It is certain that but for this policy pursued in regard to silver dollars, the coinage of this kind of money would never have been continued to so great an extent. If the silver dollars themselves had been sent into circulation, their weight and general inconvenience would have soon rendered them so unpopular that a speedy end would have come to the discussion of the silver question. Gold coin on the other hand would be acceptable in general circulation to a very large extent. The substitution for it of certificates in comparatively large denominations keeps it out of actual circulation and prevents its dissemination throughout the country. The actual gold is by means of the certificates kept in masses in certain places where it is more easily obtained for export than it would be if scattered like other money throughout the country.

There is no reason why the inconvenience the banks suffer through their transfers of gold back and forth from the Treasury can not be obviated by legalizing the acceptance of the gold certificates of the clearing-house associations by the Assistant Treasurers of the United States.

NO BRANCHES OF NATIONAL BANKS. — Comptroller of the Currency Dawes has lately ruled that under the provisions of the National Banking Act National banks can not establish branches in the city where the parent bank is located. He holds that the law does not allow a bank to provide for the cashing of its checks except at the banking office specified in its organization certificate.

Several of the National banks in New York city have recently practically established branches by purchasing a controlling interest in banks located outside the financial district, though they are deprived of the prestige that would result if the business could be conducted under the name of the parent bank. As the law stands at present, the decision of the Comptroller is hardly open to question, and it merely follows the precedents of his predecessors. Whatever objections may be urged against the branch system of banking, it is difficult to find any sound argument against allowing a National bank to establish a local branch in the city where it is located.

FOREIGN BANKING AND FINANCE.

State of the Bank of Spain.

The report that difficulties had arisen between the Spanish Government and the Bank of Spain were denied by the Madrid correspondent of "*L'Economiste Européen*" in the issue of September 30. He points out that neither the Government nor the Bank is in a position to antagonize each other. He says:

"The Bank is absolutely bound up to-day with the Government. The latter can do nothing without it and the failure of the State would involve the immediate failure of the Bank. Errors accumulated for several years, which I have not ceased to indicate, have brought about this result. The public always absorbs with eagerness the obligations of the Treasury. The Government has then a simple means of procuring resources which it ought not to fail to use. It is very evident, moreover, that Spain has not been completely impoverished by recent events. There still exist strong and valuable resources, and it may be noted that the Bank holds more than 700,000,000 pesetas ($140,000,000) of deposits. Its role is limited then to advancing to the Treasury at five per cent. the sums needed, on which it is not required to pay interest. It is easy to understand that the operation balances by very pretty profits and that since the National Bank is caught in the wheel it has no means of putting an end to this manner of operations."

The Spanish Government decided in the middle of September to pay the October interest on the Cuban debt in pesetas. This action was taken upon the ground that the collection of customs and other colonial imposts was still in the hands of the Spanish authorities. The decision was only reached after a lively debate in the Council of Ministers. The Minister for the Colonies, under whom the subject comes, was in favor of declaring in the decree that Spain would make the payment in October for the last time, in order to make it plain that the home Government did not undertake to assume the colonial debts contracted before the declaration of war with the United States. The matter affects vitally the Bank of Spain, because the Bank holds considerable quantities of Cuban bonds as a guarantee for its advances to the Cuban Treasury. Cuban bonds are found also in great numbers among large and small investors in Spain and there is a numerous party which will resolutely oppose the repudiation of the colonial debt, if it is not assumed by the United States or the Government of Cuba.

The Financial Situation in Japan.

The finances of Japan continue to be somewhat disturbed, and the difficulties of exchange and circulation have not been fully cured by the adoption of the gold standard. An elaborate report by M. Steenackers, the French consul at Nagasaki, declares that gold has not entered into general circulation and cannot be found in the shops and magazines. At Nagasaki a demand for gold from the bank designated by the Government to conduct exchanges is met by an offer of bonds for the delivery of gold ten days after the deposit of bills. The gold imported from England is no sooner distributed from the mint at Osaka than it is absorbed by the great foreign banking establishments—the Hong Kong and Shanghai Bank, the Bank of Australia, India and China, and the Russo-Chinese Bank.

The report of the French consul, as quoted in "*L'Economiste Européen*" of September 23, declares that prices increased during 1897 by an average of twenty-five per cent., in addition to the increase of forty-seven per cent. which occurred from 1887 to 1897.

The rapid increase of the issue of paper money by the Bank of Japan carried the outstanding amount from 190,519,448 yen ($95,000,000) in January to 198,728,088 yen in July, and 226,229,058 yen in December. It was in July that the Bank of Japan decided to avail itself largely for the first time of the right to issue notes guaranteed by public funds instead of specie. This decision was taken because of the scarcity of negotiable capital in Japan. The extraordinary issues, which had never before exceeded 10,325,195 yen, were increased in December to 47,312,657 yen. Meanwhile the metallic reserve diminished from 122,001,016 yen at the beginning of the year to 98,261,473 yen at its close. The Bank endeavored to arrest the loss of specie by raising the rate of interest, which was already 7.67 per cent. early in the year. The rate was first advanced to 9.13 per cent.; the advance was followed by all the private banks, and further advances carried the rate to about eleven per cent. within a short time. The launching of numerous stock companies apparently has had much to do with the scarcity of loanable capital, and it is declared by M. Steenackers:

"The need of capital was such that the Bank of Japan received a great number of demands for credit which it was not able to satisfy. The absorption of funds was due, as in 1896, to new enterprises of all sorts formed in the main by means of shares of which the nominal capital, to be paid up within three years, was not less, in spite of the nearly complete stagnation of business, than a billion and a half of yen. From this cause arose an excessive scarcity of capital and the almost complete impossibility of obtaining it, whence followed innumerable difficulties suffered by the new corporations in carrying out their projected works. Numerous shareholders, unable to complete their payments and reduced to the limit of their resources, preferred to abandon their rights. The daily papers did not cease to insert long lists of securities thus abandoned and put on sale to the highest bidder. Under such conditions several of these societies were compelled to liquidate or dissolve and the remainder to continue in a state of forced inactivity while awaiting better times."

The demand for capital has naturally aroused favorable discussion of the issue of a foreign loan, from which advances might be made by the Government to private capitalists. It is also proposed to grant to foreigners the liberty of making investments in all sorts of Japanese enterprises, including railways. One of the means suggested for attracting foreign capital is the creation of a great privileged bank, in which foreign capital might be invested and deposited in consideration of special favors granted by the Government. The large balance against Japan in the foreign trade was settled to a considerable extent from the proceeds of the Chinese war indemnity, but this resource will hardly be available in the future. The destination of the indemnity payments actually made up to last spring is given by the French consul as follows:

Purchase of gold bullion (received in Japan)	£7,733,517
Purchase of silver bullion (received in Japan)	3,090,504
Drafts upon Japan	6,215,979
Payments abroad for various Government expenses	4,984,693
Existing funds in London	4,049,333
Total	£26,074,026

Some further details regarding the state of public finance and the proposals for a foreign loan are contained in a British consular report dated in August and quoted in the London "Bankers' Magazine" for October. The present public debt of Japan is stated at £41,469,412, of which the three largest items are the consolidated loan of £17,029,365; the war loan of £11,499,650; and the public undertakings loan of £3,790,000. The Chinese indemnity would almost have wiped out this debt if it had been applied exclusively to that object, but Japan is contemplating extensive public works and, in the opinion of Mr. Lay, the British consul, the country can bear without much inconvenience a higher rate of taxation than the present burden of four shillings, two pence, which is about the per capita amount of direct taxation. The outlook for the future is summed up thus:

"The feeling in favor of a foreign loan is stated to be on the increase, and it was the intention of the late Government, with that end in view, to bring in a bill and ask the consent of the Diet to a plan for making the duration of the loan as extended as possible, and determining the amount to be raised in any foreign country in the currency of that country for the encouragement and convenience of local investors. According to their financial programme, the amount which it is necessary should be raised is £16,300,000, of which £7,000,000 have been borrowed from and are to be refunded to the indemnity account. In last year's report it was mentioned that one of the anticipated results of the operation of the gold currency system, which went into operation on October 1, 1897, was that the export trade would be stimulated. This has not occurred. From that day until the end of May, a period of eight months, the excess of imports over exports amounted in value to 81,072,388 yen (£8,107,287). It must, however, the report states, not be imagined that money to cover purchases from abroad has left the country to that extent, for large quantities of goods still remain apparently *sine die* in the warehouses of the importing merchant unpaid for. 41,664,875 yen (£4,166,487) worth of gold coin and bullion was exported in excess of the quantity imported, and the exports of coin and bullion of all sorts exceeded the imports by 59,244,228 yen (£5,924,422). The following table is of interest as showing the various dates of payments of the installments of the recent Chinese indemnity, giving the actual sums which changed hands on each occasion. The figures are the more interesting, playing, as they have done, so important a part in the course of the London money market.

INDEMNITY.

Date of payment.	*Amount.*		
October 31, 1895 (first payment)	£8,225,245	1s.	10d.
November 16, 1895 (for retrocession of Liaotung Peninsula)	4,985,147	1	1
May 7 and 8, 1896	8,225,245	1	10
May 8, 1896 (interest)	205,631	2	6
November 7, 1896	822,524	10	2
May 8, 1897	2,741,748	7	8
May 8, 1897 (interest)	68,543	14	2
November 8, 1897	685,437	1	10
May 8, 1898 (final payment)	11,926,605	7	9
Total	£37,836,127	8	5

A dispatch from Japan in the middle of September states that the Bank of Japan is lending to private bankers at ten per cent. and that the latter are lending to their customers at twelve to fifteen per cent. It is rumored that British capitalists, who have been approached on the subject of a loan, have demanded the customs receipts as a guarantee.

The Economic Development of Germany.

The pressure for money in Berlin has raised private discount rates to the level of the official rate at the Imperial Bank, which has been for some time at four per cent., but is likely to be raised to five per cent. before this issue of the

BANKERS' MAGAZINE is in the hands of its readers. The usual autumn increase of rate occurred last year on October 9.

There is an active demand for capital in Germany and some regret is felt in some quarters that so much German money has gone to Russia and other foreign countries instead of being retained at home. There has been recently a very active issue of industrial stocks, especially those of electrical companies. All these issues have been readily taken, but it is difficult to obtain their exact value because under the existing bourse laws they are issued directly through the banks to their patrons. The Berlin correspondent of the London "Economist" says, in the issue of September 24, regarding the recent economic development of the German Empire:

"The rumor mentioned last week to the effect that M. de Witte's visit here had reference to a new Russian loan turned out—as your correspondent learned upon inquiry at the Russian Embassy—to have been groundless; but the interpretation given to his visit was highly significant, in view of the large absorption of Russian loans by German capitalists in recent years. The matter is mentioned at this time only to call attention to the expressions heard in financial circles in regard to these loans, which have taken several hundred millions of German capital to Russia every year now for a series of years. Notwithstanding the ready subscription last week of the South-East—not South-West as printed—Railway loan, the opinion is frequently expressed that it is now time to call a halt. This sentiment does not mean any hostility to Russia, but is based upon the conviction that German capital is now in too great demand for domestic enterprises to admit of foreign undertakings.

Beyond this, it is pointed out that Germany herself has latterly absorbed quite enormous amounts of foreign capital; and, curiously enough, this capital seems to have come mainly from France, where German drafts are said to be in circulation now in very huge sums. Two causes are cited in explanation of this phenomenon. First, industrial development is apparently at a standstill in France, leaving vast amounts of capital unemployed; and, secondly, the new French law regulating the bourse operates against the introduction of foreign securities upon the Paris market. Hence great institutions like the *Crédit Lyonnais* have been only too glad to invest their unwieldy surplus in German drafts. It is estimated, accordingly, in Berlin financial circles that Germany is at present indebted to foreign countries in the sum of 600,000,000 to 800,000,000 marks; but these figures are doubtless much exaggerated. It is at any rate a highly significant fact that Germany's industrial development is attracting immense amounts of capital from abroad."

The demand for capital is indicated by the creation of 179 new corporations during the first half of 1898, calling for a capital of 244,510,000 marks ($60,000,000). The similar calls during the first half of 1897 were on behalf of 108 corporations with a capital of 131,580,000 marks. The classification of the corporations this year shows that sixteen banks have been organized with a capital of 52,600,000 marks; thirteen railways, with a capital of 34,340,000 marks; twenty-four electrical enterprises, with a capital of 30,970,000 marks; twenty-four metal foundries, with a capital of 25,090,000 marks; twelve construction companies, with a capital of 19,640,000 marks; twenty-four food companies, with a capital of 18,171,000 marks; and fourteen textile mills, with a capital of 12,840,000 marks.

The Circulation in Italy.

The State notes in circulation in Italy on June 30 last were 454,289,220 lire ($90,000,000), as compared with 445,000,000 lire on June 30, 1897. These notes are in denominations of five, ten, and twenty-five lire ($1, $2 and $5). There are also in circulation Treasury bonds of one and two lire for an amount of 110,000,000 lire ($22,000,000). These small notes are in circulation upon the basis of full deposits of silver coins in the Treasury. They were issued because the depreciation of Italian currency led to the export of the silver. The silver will be again put in circulation and the small notes withdrawn as soon as arrangements are perfected for carrying out the recent agreement among the countries of the Latin Union for limiting subsidiary silver to the country of issue by prohibiting its circulation in other countries. The agreement required legislation in the various countries which has not yet been perfected. A law of March 3, 1898, regarding the issue of the larger notes fixed the limit of the issue at 422,500,000 lire, exclusive of 45,000,000 lire furnished by the Treasury to the Bank of Naples, with provision for its reduction at the rate of about 2,000,000 lire per year. The present circulation is, therefore, about 13,000,000 lire within the legal limit.

Australian Banking Conditions.

The chartered banks of Australia have not yet escaped from the effects of the crisis of 1893, when so large a proportion of their assets was found to be in unavailable properties. There is a tendency to decline in the volume of business done and the smaller banks are far from having recovered their position before the panic. The banking averages of the seven Australasian colonies for the June quarter reveal a stationary, if not retrogressive, condition of affairs. The aggregate of the deposits is £96,007,330, against £98,139,170 for the previous year, a decrease of £2,131,940 being shown. The advances present a total of £108,890,945, against £109,442,485, a decrease of £551,513. Coin and bullion amount to £21,948,095, against £22,919,389, a decrease of £971,294. The causes of these changes and the outlook for the future are discussed by the Melbourne correspondent of the London "Economist," in the issue of September 17, as follows:

"The adverse movement in deposits is accounted for in part by the transference of the 'B' deferred deposits of the Commercial Bank of Australia to the Special Assets Trust Company constituted under the modified scheme of arrangement for the purpose of dealing with the dead assets of the bank. The amount so transferred is about £600,000. Then the Government balances with the banks in four colonies have been running down, the decreases being as follows: Victoria, £224,744; Queensland, £300,408 (occasioned by a remittance of sovereigns to London to meet current interest on the public indebtedness); South Australia, £135,363; and New Zealand, £87,105. . . . The net decrease in the Government balances for the whole of the colonies may be placed at £700,000, and this added to the transfer of the Commercial Bank of Australia—say £600,000—gives £1,300,000; so that the normal decrease in total deposits for the past quarter is about £800,000. Two colonies have suffered large reductions, viz., Victoria and South Australia. The continued contraction of banking business in the latter colony is an unwelcome symptom of the tendency to decay, a tendency which may however be arrested by two or three good seasons.

Although the aggregate advances show a decrease for the quarter of £551,513, yet there is a reason for the belief that current business has slightly increased, the falling off in the total being caused by the transfer of assets by the Commercial Bank to its Assets Company, as well as by some writings-down and realizations. The sound and legitimate demand for banking accommodation has really been improving, although very slowly of late. A good harvest simultaneously in Victoria, New South Wales, and South Australia would probably accelerate the improvement. At the same time it may cause an apparent decrease in advances, from realizations of assets and repayments of loans being facilitated."

The cash held by the Australian banks decreased from £27,034,900 in September, 1896, to £21,948,095 in June, 1898—a loss of £5,086,805. Adding the production of gold for the twenty-one months, which was nearly £19,000,000, the total export of gold from the colonies was about £24,000,000. The gold production of 1896 was about £9,000,000, that of 1897, £10,000,000, and that of 1898 promises to exceed £13,000,000. It is declared by the correspondent of the "Economist" that "the ability to make remittances on so large a scale has really saved Australia from further trouble."

The tendency towards banking concentration which has been witnessed in Europe and the United States has appeared also in Australia since the crisis of 1893. The four largest banks have increased their deposits from forty-eight and three-quarters per cent. of all deposits in the March quarter of 1893 to fifty-five per cent. in the June quarter of 1898. Advances increased from thirty-nine and three-quarters per cent. to forty-five and one-half per cent. and coin and bullion from fifty-one to fifty-nine per cent. It is declared in the "Economist" that "in 1893 there were twenty banks, and in 1898 there are eighteen banks, besides those named above, to share the balance of the business. Whether in the long run the aggregation of the bulk of the banking business of the colonies into a few institutions will prove to be a good thing, is a difficult question to answer. But the four banks that have been particularized are certainly careful to maintain large cash reserves."

Foreign Capital in Australia.

The importance of Australia and the other islands which make up Australasia as a field for European capital is indicated by the statement of the capital of joint-stock companies there presented in "The Australasian Joint-Stock Companies' Year Book," compiled by Mr. R. Lucas Nash, formerly a member of the staff of the London "Economist." The figures presented show that British capital is invested in Australasia to the amount of £386,801,000 in the shares of joint-stock companies. This is exclusive of several other forms of investment, including the deposits in the Australian banks. These fixed deposits, upon which a considerable interest is paid, were about £50,000,000 in 1893, when the panic occurred, so that these two items alone cover British investments of £437,000,000, or about $2,150,000,000. The classification of stock issues outstanding in Australasia is given by Mr. Nash as follows:

	Australasian capital.	*British capital.*	*Total.*
Government public debt	£22,783,000	£207,134,000	£229,917,000
City and harbor loans	7,087,000	13,956,000	21,043,000
Banks	27,343,000	19,800,000	47,143,000
Insurance, gas, water, shipping, and trading companies	41,801,000	64,073,000	105,874,000
Mining and mining finance companies.	29,109,000	81,838,000	110,947,000
	£128,123,000	£386,801,000	£514,924,000

Condition of the Italian Banks.

A view of the Italian banks which is far from flattering is presented by Prof. Vilfredo Pareto, who contributes the chapter on Italy to the annual publication of M. Raffalovich on "*Le Marché Financier.*" He declares that it is a misfortune that Italy has not a bank of issue independent of the Government, like the Bank of England. The Bank of Italy, he says, while in appearance a private bank, is in fact a State bank. The Government administers it absolutely according to its will, and in these circumstances it would be better if the appearance corresponded to the reality and the Bank was declared a pure bank of State.

Signor Baldantoni, an employee of the Bank, has recently published a book, in which he attributes the evils resulting from excessive issues and the locking up of assets to the competition among the banks. Prof. Pareto declares that in reality the origin of these evils is found in the fact that the Government, in order to have at its command the resources of the banks, relieves them from the redemption of their notes and in the interference of the Government and politicians in the banking administration. Prof. Pareto suggests that the Italian Government has not yet learned that stability is one of the principal conditions of success in regard to banks. The Government multiplies laws, in order to make the public believe that the situation of the banks is better than it is in reality, and only succeeds in preventing the natural improvement which might otherwise occur. He does not attach much weight to the boasts of Finance Minister Luzzatti to the Chambers, that "the notes of the Bank are almost entirely guaranteed, and will be completely so on December 31, by a special lien upon the metallic reserve, by national securities estimated at their current value, and by bills of exchange." Prof. Pareto comments thus upon these declarations:

"It is really incomprehensible that Signor Luzzatti does not take account of the fact that there is for bank notes only one adequate guarantee—that of exchange for gold upon presentation. The others count for absolutely nothing, at least under ordinary conditions. The Italian banks of issue, if they had ten billions of metallic reserve, if they did not employ it for the redemption of their notes, would find that it did not have the least influence upon exchange. As Léon Say properly says in his preface to the French edition of 'The Theory of the Foreign Exchanges' of Goschen, if gold remains in bank reserves, the effect upon the circulation scarcely differs from a vein of gold which has not been mined a thousand meters within the bowels of the earth."

The circulation of bank notes on October 31, 1897, was 1,073,200,000 lire ($214,000,000), of which the Bank of Italy had 790,400,000 lire, the Bank of Naples 231,100,000 lire, and the Bank of Sicily 51,700,000 lire. Minister Luzzatti made much of the fact that these notes were protected by an "irreducible reserve" of 411,000,000 lire. Prof. Pareto makes light of this reserve and suggests that it must be a great satisfaction to the holder of an Italian bank note to know that there exists somewhere an "irreducible reserve" intended for the protection of his note. In place of being able to exchange his notes for gold, he declares, the holder "must content himself with reading beautiful tables, indicating the magnificent reserves which serve as a guarantee." It is truly remarkable, he says, that "with such strong guarantees, Italian bank notes lose more than five per cent. of exchange, while the notes of the Bank of England, which are far from having such beautiful guarantees, are at par. It is true that the Bank of England exchanges its notes on demand for gold, which the Italian banks do not deign to do. It is this circumstance which perhaps has some influence upon the premium."

Stringency in European Money Markets.

The large balance of trade in favor of the United States and the heavy withdrawals of gold from the banks of England, France and Germany, in combination with other causes, have been producing a stringency in European money markets which has not been equaled for several years. The Bank of England followed its increase of the discount rate from two and a half to three per cent. on September 22 by an increase to four per cent. on October 13. This is a high rate for short-term loans in England, but the change was less remarkable than that at the Bank of France, where the rate was advanced on October 20 from two to three per cent. The advance is remarkable in the case of the Bank of France, because that institution rarely changes its rate, preferring to purchase its gold in the market to causing uncertainty as to the discount rate in the business community. The rate at the Bank was four per cent., almost without change, for many years before the recent fall in the earning power of money. The rate of two and a half per cent. for commercial discounts was fixed on May 19, 1892, and remained unchanged until March 14, 1895, when a further reduction was made to two per cent. It is this rate, which has remained unchanged for three and a half years, which was advanced in October.

The Imperial Bank of Germany and the Austro-Hungarian Bank have been placed in a somewhat awkward situation during the pressure for money because of the fact that their charters are about to expire. The Imperial Bank of Germany was never subjected to greater strain by the autumn money movement than has been the case this year. The metallic stock, which stood on September 30, 1896, at more than $200,000,000, was on the same date in 1898 about $180,000,000, while the note circulation is about $20,000,000 greater. The note circulation exceeds by more than $68,000,000 the limit beyond which a tax of five per cent. is levied, as compared with an excess in 1896 of about $30,000,000 and in 1897 of about $50,000,000. The Bavarian Note Bank at Munich raised its discount rate to five per cent. in September, before the Imperial Bank had taken any action. The Berlin correspondent of the London "Economist," in the issue of October 8, in discussing one of the reasons for the delay of the Imperial Bank to advance its rate, said:

> "As is doubtless known to English readers, the existing charter of the Bank expires in 1901, and a law for its renewal will be passed in the coming session of the Reichstag, or in the following one. Now, there has been an agitation here for some years in favor of nationalizing the Bank, and a fight will doubtless be made over this question when the charter is renewed. The friends of the nationalization scheme are mainly the Agrarians, but even in the circles of trade and industry there are not a few persons who persist in asking why the Bank should maintain a rate that averages so much higher than that of the Bank of England and the Bank of France. In order, therefore, to disarm criticism in the coming debates, the Bank is doubtless straining a point to maintain its existing rate as long as possible. In order to do so, it has announced that it will take back short-term loans before they expire, and calculate the interest only to the day of actual payment. That this measure will render an advance of the rate unnecessary is, however, hardly to be expected, there being in prospect renewed demands upon the Bank in connection with the belated marketing of the crops."

The charter of the Austro-Hungarian Bank has already expired, but was continued by the Ministry in the absence of an agreement in the Diet. It was decided at a meeting of the Council of the Bank on September 29 not to advance the discount rate, which already stood at four per cent.

Bank Consolidation in England.

The process of consolidation among the great British banks is still going on. The latest instance is that of the absorption of the City Bank by the London and Midland, which is declared by the London "Economist" to be "one of the most important of recent years." There were forty-nine banks absorbed or consolidated in England and Wales during the five years ending with 1897. The number thus absorbed in 1897 was nine. The consolidation of the London and Midland with the City Bank will increase the capital of the latter from £1,602,400 to £2,200,000. The fact that the consolidation is advantageous to the City Bank is indicated by a rise of twenty per cent. in its shares since the fusion became known. The London "Economist" throws light on the tendency of these consolidations by the following comments on the one under discussion:

"Like all amalgamations the one in question is based on the prospect of mutual advantage. Each of the contracting concerns supplies elements which the other, comparatively speaking, lacks. The City Bank brings a large city and metropolitan business, including those desiderata, a stock exchange connection and a foreign *clientele*. The London and Midland itself, until eight years ago only a provincial concern, supplies the combination with a widespread and profitable provincial connection, the outcome of a long series of previous absorptions in almost every part of the country. The metropolitan and suburban business which the united banks will command constitutes another factor which the projector of the fusion is doubtless justified in regarding as a further element of strength. The paid-up capital and the reserve fund of the New London City and Midland Bank will together amount to nearly four and a half millions sterling; its deposits to over thirty-one millions; and its advances to the public to over twenty-one millions. When the magnitude of these figures is taken into account, it is not surprising that considerable discussion should have been aroused by the fusion."

Savings Banks in Austria.

The volume of deposits in the Austrian stock Savings banks continues to grow rapidly and is now about fifty per cent. greater than ten years ago. The total deposits at the close of 1896, the last date for which the official figures have been verified, were 1,659,871,000 florins ($650,000,000). Austria stands well up in the list of European nations in the amount of her savings deposits. The amount per capita for all the inhabitants is about $26, and the amount per depositor is about $200. These figures do not include those for the postal Savings banks, which have not yet reached a large amount. The following table shows the balance due depositors in the stock Savings banks and the average per depositor for representative years since the foundation of the system in 1862:

YEAR.	*Total deposits in florins.*	*Average per depositor in florins.*
1862-1865	113,079,871	216
1866-1870	205,294,685	282
1875	589,429,157	439
1880	744.684,457	480
1885	985,756,360	510
1890	1,282,767,000	535
1891	1,335,926,000	538
1892	1,406,579,000	544
1893	1.461,630,000	544
1894	1,530,718,000	549
1895	1,597,362,000	555
1896	1,659,871,000	563

BANKING AND FINANCIAL NOTES.

—The production of gold in the Witwatersrandt region of South Africa continues to surpass all previous records. The production for June, 1898, was 344,670 ounces ($6,000,000) as compared with 251,529 ounces in June, 1897, and 193,640 ounces in June, 1896. The total production for six months of 1898 has been 1,961,663 ounces, as compared with 1,388,430 ounces in 1897 and 1,054,503 ounces in 1896. The July production was about $6,200,000, and the total for 1898 will probably exceed $70,000,000.

—A convention for the conversion of the residue of the four per cent. loan of 1855, representing a sum of £3,815,200, into a new two and a half per cent. loan with one-half per cent. sinking fund has been signed, in London, by Lord Salisbury and Castaki Pasha, the Turkish Ambassador. The convention is however subject to ratification in Parliament. By its terms the Cyprus Tribute is reduced by £27,000 annually for sixty years. At the expiration of that period the redemption of the new loan will be effected and the tribute will lapse. The Porte will receive £600,000 by the capitalization of the profit resulting from conversion.

—The balance-sheet of the Hongkong and Shanghai Banking Corporation for June 30, 1898, shows a marked growth in the volume of business done by the bank. The total liabilities were $221,931,457, of which $9,342,568 was in circulating notes, $116,633,034 in current accounts, $57,726,673 in fixed deposits, and $17,293,785 in bills payable. The leading items of the assets were: cash, $38,149,199; bullion in hand and in transit, $6,926,873; Indian and colonial securities, $5,173,373; bills discounted, loans and credits, $87,550,970; and bills receivable, £76,290,818.

—The deposits and cash balances in the Irish joint-stock banks stood on June 30, 1898, at £38,973,000. There was an increase from £29,223,000 in June, 1886, to £38,758,000 in 1896 and a slight decrease in 1897. The bank note circulation fell from £5,858,000 in June, 1897, to £5,740,000 in June, 1898, the latter amount being the lowest in any of the eleven years beginning with 1888.

—The National Bank of Egypt has been opened at Cairo by Sir Edward Palmer. The Egyptian Government has decided to establish a deposit account with the bank, which will be in the future the Government depository. Harrari Bey and Innes Bey have been named as Government commissioners for the bank. C. A. C.

GOLD.

I buy all things—even honor and souls—
  And sway the thoughts and the deeds of men.
Cities and fields my power controls,
  And I fashion the sword and guide the pen.

My might is felt where battles rage,
  On land or on storm-swept seas;
I bind up the wounds and tears assuage
  For those laid low by some fell disease.

Beauty and birth and place are mine,
  Learning and wit and mirth;
I delve in the deeps where jewels shine
  And with commerce girdle the earth.

All things I buy—even honor and souls—
  All save peace and content.
The baubles are mine, but I miss the goals
  Of rest and calm; for these I am vainly spent.

E. H. Y.

THE NATIONAL BANK OF BELGIUM.*

THE EXPERIENCE OF BELGIUM WITH THE BIMETALLIC SYSTEM.

Early Experiences with the Bimetallic System.

The monetary history of Belgium has illustrated in an even more striking manner than that of France the operation of Gresham's law, that the poorer money drives out the better. The standard prevailing during the union of Belgium and Holland, after the close of the Napoleonic wars, was the bimetallic standard, of which the silver florin was the monetary unit. The ratio of gold and silver was 15.875 to 1, which gave silver a little less value than that given it by the French coinage laws. The result from 1816 to 1832 was to drive silver money across the border and reduce the currency to one of gold and of old silver coins which were much worn. The scarcity of small coins became so great that the Government undertook to meet it by coining gold pieces of five florins ($2). †

Belgium after becoming an independent state in 1830 adopted on June 5, 1832, the French coinage system and the legal ratio of fifteen and a half to one. The change of ratio was made at a time when it was hardly needed for bringing silver back into the country. Gold had been rising in value and the market ratio from 1831 to 1840 showed an average of 15.75 and from 1841 to 1851 of 15.85. The market ratio, therefore, had come to correspond nearly with the legal ratio of 1816. The result of the combined change was to reverse the current of the precious metals and send French silver coins pouring into the country, while gold was neither presented at the mint nor purchased by the Government for coinage. Both French gold and French silver were made legal tender in Belgium, but, as the real value of gold exceeded its legal value, while silver was overvalued in the coinage, the inflowing current was exclusively of silver.

An attempt was made to retain gold in the country by the law of March 31, 1847. This law made the gold pieces a little lighter than the French and established a ratio of about 15.815 to 1. Belgian legislation seemed to follow just too late the course of actual events. The opening of the mines of California and Australia made gold the less valuable metal at the coinage ratio on the very morrow of the change of law. The ratio fell from 15.80 to 15.70 in 1850 and 15.46 in 1851. In the language of Michel Chevalier, "the Belgian Government for concerning itself with the fact that gold had slightly risen and modifying its currency in consequence, awaited precisely the moment when everything indicated a variation in an opposite direction much more pronounced."

The Belgian statistics did not separate the exports and imports of gold from those of silver prior to 1876, but the great excess of exports of the

* Continued from the October, 1898, number of the Bankers' Magazine, page 642.

† Hector Denis, *La Dépression Économique et Sociale et l'Histoire des Prix*, p. 296. Brussels 1895.

precious metals during the five years from 1856 to 1860, amounting to $120,188,420, * was undoubtedly due to the rapid flight of silver to markets where it could be sold at its enhanced bullion price in gold. The necessity for currency in Belgium, which could not be fully met by the mints, lead to the legalization of the English sovereign at 25.50 francs. The fall in the value of gold reduced the real value of the sovereign in silver from 25.35 in December, 1848, to 25.27 in 1849. Bullion speculators found an easy means of realizing large profits by buying sovereigns in England at 25.27, which they imported into Belgium and exchanged for silver five-france pieces at the ratio of 25.50. The profit realized upon these transactions was nearly one per cent., which amply compensated the small amount of time required and the incidental expenses of the transactlon. Great quantities of this silver were shipped to India, where it sold at a high premium over gold. It is not surprising that, in the language of M. Hector Denis, "it soon happened that silver money disappeared and the country was saturated with foreign gold. Small transactions became extremely difficult."

A drastic remedy for this state of things was found in the demonetization of gold by the law of December 28, 1850. Foreign gold coins ceased to be legal tender in Belgium and the coinage of gold was suspended, leaving silver the only legal tender for private debts. The convenience of the French gold coins, however, and the close relations of Belgium with France lead to a strong demand for the admission of French gold into the circulation. This was effected by the law of June 4, 1861, which practically restored the bimetallic experiment and linked the monetary fortunes of Belgium with those of France.

The change revived the former difficulty of the inflow of gold and the departure of silver. The reserves of the National Bank were not able to keep pace with the demand for silver, which was forthwith exported from the country. A reserve amounting to 48,645,000 francs ($9,600,000) in silver five-franc pieces which the Bank held when the law of June 4, 1861, went into operation was reduced on November 8, 1862, to 14,629,000 francs ($2,800,000), and the Bank, in a panic, suspended their further issue. The minor pieces of fifty centimes, one franc, and two francs began to disappear and the Bank was no longer able to satisfy the demands of manufacturers for the silver to pay their employees. Recourse was had to nickel to meet the dearth of small silver.

Belgium Proposes the Latin Union.

It was her stormy experience with the bimetallic system which led Belgium to propose the formation of the Latin Union, and in the conferences for the formation of the Union to propose the adoption of the gold standard. The French decimal system of coinage had already been adopted, not only by Belgium in 1832, but by Switzerland on May 7, 1850, and Italy on August 24, 1862, and was afterward adopted by Greece on August 10, 1867. The interchangeability of the coins of the several countries was tacitly recognized, even before it had legal sanction, and proved a great convenience in commercial transactions. The changes in the relative value of gold and silver, however, threatened complications very embarrassing to the countries which

* Annual Report of the Director of the Mint to the Secretary of the Treasury, p. 806. Washington, 1894.

might by the operation of exchange become overloaded with coins of the depreciated metal. The formation of the Latin Union has been treated by careless politicians as a great movement to promote bimetallism in a circle of important nations. It was in fact exactly the opposite. Bimetallism, so far as it existed under French, Belgian, Swiss, and Italian law, was proving inadequate to maintain the parity of gold and silver, though the countries of the Union had nearly the same population as the United States at the present. Silver had risen to such a premium that it was disappearing from circulation in all the countries of the Union, and measures were already being taken in some of them to prevent the disappearance of subsidiary coins by reducing their value.* The convention of the Latin Union put an end to bimetallism, so far as it existed, by reducing the subsidiary coins to token coins and later by suspending the free coinage of silver of any denomination.

Switzerland in 1860 had already arrested the loss of her subsidiary silver by reducing its fineness from nine-tenths to eight-tenths, so that the silver franc became worth 0.889 francs at the coinage ratio. Italy, from the moment of the adoption of the French system, obviated the danger of losing her subsidiary silver by fixing the fineness of coins below five-franc pieces at 0.835, giving the franc a value of 0.928 at the coinage ratio. The same standard was adopted by France for pieces of twenty and fifty centimes (four and ten cents) by a law of May 24, 1864.† These regulations made independently by each nation only widened the field for speculation by permitting such operations as the exchange of Swiss pieces for Belgian, which remained at the old standard, and the recoinage of the latter at the Swiss mints into a greater number of pieces of the same nominal value. The failure of legislation to maintain bimetallism led to the proposition by Belgium that there should be an international conference to consider the monetary regulations of the States which had adopted the French coinage system. The French Government accepted the suggestion and a commission began its sessions at Paris on November 20, 1865. Several academic questions were submitted for consideration, but practical conclusions were limited to the decision upon a uniform standard for subsidiary silver coins, with a fixed maximum of circulation for such coins, and rules for the circulation of the coins in the countries of the Union.

It was decided that the coins of the contracting States should be receivable in the public offices of each, and that the fineness of all subsidiary silver coins should conform to the French and Italian standard of 0.835. The adoption of a lower standard than that of the standard coins for the subsidiary silver coins constituted the abandonment of the bimetallic theory, ex-

* M. Emile de Laveleye undertakes to demonstrate (*La Monnaie et le Bimetallisme International*) that the great movements of gold and silver under the bimetallic system represented only the play of the foreign exchanges and did not affect seriously the interior circulation. But M. Achille Fould, the Minister of Finance, in a report addressed to the Emperor recommending the execution of the convention of the Latin Union, April 14, 1866, says that "in France all large payments which, as is well known, were formerly made in sacks of five-franc pieces have been of late years effected in gold; and of the old five-franc dollars almost all have been successively exported or melted down, to be replaced by coins of gold, which metal, being comparatively depreciated, must upon its exchange with silver give a sure profit to speculation."—Appendix to Proceedings of International Monetary Conference of 1878, p. 782. Washington, 1879.

† This change was made in pursuance of the report of a commission appointed in 1861, which recommended that all the coins below five francs be reduced, "so that the change was equivalent to the establishment of the gold standard."—W. A. Shaw, "The History of Currency," p. 189. New York, 1895.

cept for the five-franc pieces of silver, which were still permitted to be coined at nine-tenths fine. But these pieces had practically disappeared from circulation, and silver was not brought to the mint for coinage in either France or Belgium until the conditions under which the Union was formed in 1865 were reversed and a new series of monetary problems confronted the contracting powers. The ninth question submitted to the Paris conference of 1865 was whether it was necessary to modify, in regard to five-franc pieces, the double standard system established by the French republican law of the Year XI.* If this had been done and the gold standard established, it would have made what was then the cheaper metal the monetary unit. The arguments in favor of gold, however, were the same in respect to its convenience, greater value in smaller compass, and use by the great commercial nations of the world, that they are to-day. The decline below the coinage ratio in 1865 was only about three-eighths of one per cent., represented by a ratio of 15.44 to 1. M. Kreglinger, one of the Belgian delegates to the conference, insisted very strongly upon the adoption of the gold standard and the reduction of the five-franc silver piece to a fineness of 0.835, which would have reduced all silver to a subsidiary position. His position was sustained by the delegates of Italy and Switzerland, but was not assented to by France. The tendency towards the adoption of the gold standard was indicated by the results of the international conference held in 1867 in connection with the Paris Exposition, at which strong opinions were expressed in favor of the gold standard, and its adoption was recommended to the leading States of Europe. The action of the convention of 1867 may, in the opinion of M. Allard, have "academically demonetized" silver, but it was evident that some stronger cause was in operation to depress the monetary value of the white metal and direct the preference of the civilized world toward gold.†

The Fall in the Value of Silver.

The careful regulations which have been adopted by the Latin Union to keep silver from disappearing from circulation because of its higher value lost their efficacy by the change in the relations of the two metals in 1867. Silver then fell below the value of 15½ to 1 fixed by the coinage ratio, and Belgium, in common with the other countries of the Latin Union, began to feel the sapping process diverted from her silver to her gold coinage. The decline of silver was so slight, however, that it was not until 1872 that the change of conditions began to attract serious attention. In that year silver began to be offered again at the mints for coinage on private account and 10,225,000 francs in five-franc pieces were coined at Brussels. The rivulet of silver became a torrent in 1873, when 111,000,000 francs in silver were offered for coinage. The coinage in France was 154,649,045 francs and in Italy 42,273,935 francs, making an aggregate of 308,627,775 francs of new silver coins for the three countries. The Bank of France refused to receive Belgian and Italian

* Both the French law of the Year XI and the Belgian law of 1832 provided for the reminting of gold when the ratio changed, but the practical difficulties of the operation caused the system, in the language of M. Ansiaux, to "degenerate into a rigid bimetallism."—*La Question Monétaire en Belgique*, p. 8. Liege, 1892.

† *La Crise Agricole et Monétaire*, p. 41. Brussels, 1895. M. Allard makes the curious statement that it was only after they obtained from the French Government the declaration that the votes of the delegates should bind none of the Governments represented that they voted everything which Napoleon III desired.

pieces of five francs and the Chambers of Commerce of Antwerp and Lyons adopted resolutions in favor of the gold standard.

Belgium again took the initiative in the effort to prevent the demoralization of her coinage system. M. Malou, the Minister of Finance, immediately after the passage of the German coinage Act, inquired of the Bank of Belgium what measures could be taken to parry the effects of the impending depreciation of silver. The directors unanimously replied that they were in favor of the single gold standard. A monetary commission was appointed, before which the bimetallists, under the lead of Prof. de Laveleye, made a vigorous protest against the abandonment of the bimetallic system.* The commission did not favor the continuance of the free coinage of silver, but did not care to break away from the Latin Union by the adoption of the single standard. The Minister of Finance presented the draft of a law, which was passed on December 18, 1873, authorizing the Government to limit or suspend the minting of five-franc pieces of silver until July 1, 1875. Switzerland proposed another monetary conference, which assembled at Paris on January 8, 1874. The Swiss delegate, M. Larby, made a strong argument for the introduction of the gold standard. The French delegates had been forbidden to discuss this subject and a fixed limit was put upon the coinage of five-franc pieces for the ensuing year. Subsequent conventions fixed limits for 1875, 1876 and 1877. Silver coinage was suspended, except for Italy, at the convention of 1878, and was suspended for all countries in 1879.

Absolute suspension of the coinage of five-franc pieces did not terminate the fear of the export of gold and a plunge to the silver standard in the Latin Union countries. Some of them supported the movements for international bimetallism which resulted in the conferences of 1878 and 1881, but in both of these gatherings Belgium appeared as a supporter of the gold standard. Emile Pirmez, a delegate at both conferences, declared in 1881 that he did not see the logic of asking countries which were embarrassed with an excess of silver to coin still more—to correct an excess by a still greater excess.†

The position of Belgium was a somewhat difficult one, under the practice in the Latin Union countries of receiving without distinction the silver coins of each. Silver continued to decline and there was a tendency to the loss of gold which it required careful management to keep in check. When the Latin Union countries met in convention in 1885, for the purpose of determining whether to continue the Union, the French delegates asked that the renewal of the treaty be accompanied by an engagement on the part of each country to guarantee the gold value of its five-franc pieces and to redeem them in gold in the event of the dissolution of the Union. Belgium took strong ground against this proposition, declaring that it was absurd to impose redemption in gold upon the basis of monometallism upon countries which had entered into a union upon the basis of bimetallism, and that the most that could fairly be demanded was that no obstacle should be interposed to the return of silver coins to the country which had coined them under the operation of commercial exchanges. M. Pirmez, who again represented Belgium, declared that the acceptance of Belgian coins by French citizens was not a part of the treaty, but a result of voluntary action and that the disso-

* Henry B. Russell, "International Monetary Conferences," p. 137. New York and London, 1898.

† Russell, "International Monetary Conferences," p. 285.

lution of the treaty would simply relieve public depositaries from the further acceptance of such coins, without imposing any obligation upon their issuers to redeem them.* The Bank of France, which had found silver accumulating in its reserve at the expense of gold, made a stubborn stand, and the Belgian delegates refused to subscribe to the new treaty, when the conference broke up on August 4. Adjournment was taken to October 1, 1885, in order to permit delegates to consult with their home Governments.

Belgium would expose herself to unknown dangers if she deliberately broke with the Union, as now seemed probable. The dissolution of the Union would destroy the legal status of Belgian coins abroad, but could not destroy it at home unless by an act of repudiation. The result of withdrawal from the Union would bring the silver coin held abroad pouring back into Belgium, would flood the reserves of the Bank with silver, and would bring the holders of bank notes to the Bank for gold. Italy, Switzerland and Greece had already agreed to the redemption of their silver coins in gold, which Belgium had refused to accept. The paramount necessity of preventing a financial crisis led the Belgian Minister of Finance to consent to the convention of December 12, 1885, yielding at least half of what Belgium had contended for. This convention provided that Belgium should within five years after the dissolution of the Union, in case that event occurred, redeem one-half of her silver, provided that France would agree that the remainder should not be returned to Belgium except by the natural play of the foreign exchanges. Belgium gave a further pledge of good faith towards her silver coins by the promise not to modify her monetary system for five years after the dissolution of the Union. This arrangement was accepted by France, in spite of the fact that the delegates of the other three countries extorted the same terms in regard to the redemption of their silver coins, in lieu of their agreement at the earlier meeting to redeem them in full.

The demonstration afforded by the monetary history of Belgium, that "the double standard is only an alternating standard," is thus summed up: †

"That after 1816 bimetallism resolved itself in Belgium into the gold standard.
That after 1832 bimetallism resolved itself into the silver standard.
That after 1848 gold tended to acquire absolute preponderance in the market.
That after the law of June 4, 1861, the tendency was still towards gold monometallism.
That after 1873 it was the turn of gold to disappear and of silver to invade the circulation."

Present Financial Conditions in Belgium.

Under such conditions the Belgian financial system and the Bank of Belgium have been conducted since 1885. The maintenance of the gold standard has depended largely upon the conservatism and sound business policy of the Bank, under conditions which might easily be converted into a serious threat to the stability of the gold standard. It is believed by some Belgian economists that the supply of gold in the country is declining and that the country may yet stand face to face with a silver crisis. M. de Laveleye, in his book, published in 1891, ‡ declared:

"In Belgium it is estimated that there remain only 125,000,000 francs of gold, which would be completely drawn away if it became necessary to reimburse the five-franc pieces

* Ansiaux, *La Question Monétaire en Belgique*, p. 14. Liége, 1892.
† M. Hector Denis, *La Dépression Économique et Sociale*, 232-33.
‡ *La Monnaie et le Bimetallisme International*, p. 115.

returned from abroad upon the dissolution of the Latin Union. Silver already takes more and more the place of gold. It is noticeable in the payments which one receives and in the great bags of five-franc pieces which begin again to appear upon the backs of bank messengers. But there is still another proof which is unanswerable. Gold no longer figures so much as silver in the movements of the central office of the National Bank."

The proposition which M. de Laveleye advanced upon this subject in 1891 has been emphasized by the movement of the two metals since that time. Gold has still further decreased in both receipts and disbursements, as is manifest from the following figures of the transactions of the Bank:

YEAR.	*Receipts.*		*Disbursements.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*
	Francs.	Francs.	Francs.	Francs.
1887	70,000,000	240,000,000	65,000,000	248,000,000
1888	76,000,000	260,000,000	77,000,000	275,000,000
1889	76,176,000	274,848,140	68,438,485	272,182,000
1893	54,087,000	324,724,000	53,111,000	322,109,000
1894	44,953,000	300,468,000	29,212,000	309,211,000
1895	45,631,000	370,159,000	41,997,000	368,340,000
1897	40,150,450	345,205,560	37,781,140	346,277,160

Comparison of the receipts and payments of gold with those of all forms of money and credit show that gold constitutes only about half of one per cent. of the aggregate of transactions, the remainder being represented by checks and other instruments of credit, by bank notes, and by silver coin which represents only a conventional value. The small part played by gold in Belgium is not without its parallel in other countries, where instruments of credit are widely used, but the lack of circulation of gold apparently affords some evidence that the Bank on one side and private individuals on the other dislike to part with it when it is in their hands. The estimates of the United States Mint Bureau put the stock of gold in Belgium in 1893 at $54,000,000 and reduced the estimate for 1897 to $35,000,000. If the latter estimate is true, more than half of the gold of the country is now in the reserves of the National Bank.* The general circulation of Belgium is behind that of France in the proportion of gold to other forms of money, but the position of the National Bank is stronger than that of the Bank of France in respect to the fact that its metallic reserve consists almost entirely of gold. Careful management has relieved the Bank of silver of doubtful value and substituted Belgian gold coin in its place. The proportion of gold held at the close of 1871 was only 38,985,000 francs in a total metallic reserve of 123,271,200 francs. These proportions had been changed in 1887, so that gold constituted 58,219,000 francs in a total reserve of 99,079,900 francs. A still further growth in the gold funds, accompanied by an increase in the whole metallic reserve, has taken place in recent years, so that the gold held at the close of 1895 was 82,770,690 francs and at the close of 1897, 86,000,000 francs ($17,000,000). The situation appears to be that the Bank is hoarding a considerable proportion of the gold formerly in general circulation.

The system of transfer orders designated by M. Pierre des Essars as "the trust order system," lends itself by its very convenience to the easy export of

* Evidence of the decreasing use of gold is apparently afforded by the disproportionate increase in notes for twenty francs ($4) in circulation within four years, shown in an earlier table.

gold and silver and the accumulation of a heavy silver obligation abroad, which Belgium would be called upon to liquidate in gold upon the dissolution of the Latin Union. The manner of its operation is described by M. des Essars, thus: *

"The Latin Union and the trust order system permit Belgium to send her five-franc coins into France at pleasure. When a Belgian debt is due in France, the debtor draws an order at some agency payable at Tournay or Courtrai (frontier places in Belgium). There coin is asked for and forwarded to the branch of the Bank of France at Roubaix or Tourcoing. The transfer charge is very light, so that money leaves Belgium when the exchange is but two per 1,000 under the circumstances explained. The rate would have to reach four to five per 1,000 to make it a matter of advantage to transfer actual coin instead of using orders. Belgium is thus more exposed than any other country to a drainage of coin."

The gradual shrinkage in the gold circulation of Belgium might be charged to the excess of paper issues by the National Bank if gold and bank paper were the sole media of exchange. The circulation of the Bank has increased from year to year until the average in 1897 was 476,654,470 francs; but this increase appears to be due in a large measure to the needs of expanding commercial transactions and to the substitution of methods of credit for the needless handling of coin. The Bank extends the benefits of transfer orders without charge to the general public upon the ground that the use of both bank notes and coin is thereby economized. Perhaps the most acute criticism from a theoretical standpoint directed against the present volume of bank circulation is that of M. de Greef, that only 431,000,000 francs represents the commercial paper, both domestic and foreign, from which should be deducted 83,000,000 francs in deposits in order to reach the legitimate economic circulation. The actual circulation is about 130,000,000 francs above this figure, and is secured by public funds and the capital of the Bank.† This excess of circulation above the demands of commerce may fairly be considered, however, as a substitute for gold and as issued in much the manner of the English circulation upon the theory that the normal requirements of the country can never dispense with this minimum amount.

The real trouble with the circulation of Belgium is not the substitution of bank notes redeemable in gold, on demand, for the actual gold, but the fact that there is an inferior money which still circulates at par with gold, but whose future is wrapped in such uncertainty that it is not a desirable store of value. This vast quantity of legal-tender silver cannot be exported to advantage, for the other countries of the Latin Uuion—where alone it would be accepted—are already surcharged with silver, and the Government of Belgium is bound to buy back at par in gold its silver coins circulating abroad when the moment arrives for the dissolution of the Union. There can be no doubt, in view of the great prosperity and wise financial policy which have governed the National Bank and the Treasury during their entire life, that proper measures will be taken, if the crisis arises, for maintaining unimpaired the solvency of the Bank and the credit of the Kingdom; but it will be at considerable cost and Belgium will have little cause for satisfaction in having opened her mints to the free coinage of both gold and silver in the illusive pursuit of the unattainable ideal of a fixed ratio between the two metals.

CHARLES A. CONANT.

* "A History of Banking in All the Leading Nations," III, 277.

† *Annales de l'Institut des Sciences Sociales*, April, 1898, IV, 122.

*LANGDON CHEVES AND THE UNITED STATES BANK: A STUDY FROM NEGLECTED SOURCES.

Among American public men few were better known in their time than Langdon Cheves, judge of the South Carolina Supreme Court, member of Congress, Speaker of the House, and President of the United States Bank; and in regard to few have we scantier knowledge to-day. A modest and retiring man, one who early gave up the responsibilities of a great position to retire to the obscurity of private life, it does not seem to have occurred to him that posterity might be interested in his career. Fortunately, a mass of family correspondence has been preserved, which throws light upon his most important public service—the presidency of the bank. This material I have supplemented from certain printed, yet little known, sources, especially "Cheves' Exposition to the Stockholders" at the time of his resignation, published in "Niles' Register," October 12, 1822; his letter to the "Charleston Mercury" of August 18, 1837, entitled "The Bank of the United States;" and files of the "Baltimore Patriot" and of the "National Intelligencer" for the years 1819 to 1823.

The history of Langdon Cheves, before his election as President of the bank, in 1819, appears in no public work; but from the family papers and tradition it is known that he was born in 1776, in what is now Abbeville county, S. C. His father, Alexander Cheves, was a poor Scotch Indian trader, a loyalist in sympathies, who, losing whatever means he possessed during the Revolution, was forced to move to the low country, where he set up business in Charleston. Here Langdon was brought when ten years old, and soon after his father apprenticed him as office boy to a shipping merchant. By his own unaided exertions the lad obtained an education, studied law, and at twenty-one was admitted to the Charleston bar. Within ten years he rose to the head of his profession in the State, and in 1808 was appointed Attorney-General. He was three times elected to the South Carolina Legislature, and in 1811 was sent to Congress by the young Republican party. In Washington he formed one of the famous "War Mess," composed of William Lowndes, Henry Clay, John C. Calhoun and himself. During the first two years of the war he served as Chairman of the Committee on Ways and Means, and the Naval Committee. He was then elected Speaker of the House, to succeed Henry Clay. This office he held till the close of the Thirteenth Congress. In 1814 he retired from Congress, and refusing the position of Secretary of the Treasury to succeed Albert Gallatin, he returned to South Carolina and resumed the practice of law. In 1816 he was appointed one of the associate judges of the State, and this position he held till March of 1819. In January of that year he had been elected one of the directors of the United States Bank, and a few days later Mr. Jones, President of the bank, resigned his office.

Public opinion immediately pointed out Mr. Cheves as his successor. He was the avowed choice of the Administration, and possessed the entire confidence of the mercantile stockholders, whose interests he had materially served on one occasion while in Congress. The position was one for which Mr. Cheves had little inclination; it was well known that the affairs of the bank were deeply involved, though the real dangers of the situation were by no means appreciated in the South. But aside from this, he had also been informed at the same time by Mr. Middleton, Sen-

* From the Annual Report of the American Historical Association. Washington, 1897.

ator from South Carolina, that a vacancy was about to occur on the United States Supreme Bench to which President Monroe proposed to appoint Mr. Cheves. This office would have been, for several reasons, the more congenial of the two to him; but after some hesitation he finally yielded to the urgent solicitations of his friends and consented to accept the position of President of the Bank of the United States. The election took place March 6, 1819.

When Mr. Cheves reached Philadelphia he found the affairs of the bank in a lamentable condition. The institution had been for two years in operation, having started in January, 1817, with an untrammeled active capital of twenty-eight millions. During the first year it had carried on an extensive business and established eighteen branch offices. It had imported large sums of specie and paid its notes and those of the branch offices without reference to the places where they were payable. The bank notes were everywhere received in payment of debts to the United States Government, and drafts were given without limit on the parent bank, and on the Northern offices by the Southern and Western offices, at par or at merely nominal premium. The tide of business brought a flood of notes from the South and West to the Eastern commercial centers, where they were paid and returned, only to be immediately reissued. The South and West were thus stimulated to artificial activity, while the parent bank and Northern offices were drained of their capital. The result was that on July 20, 1818, began a rapid and heavy curtailment of note issues. Between that date and April 1, 1819, the total curtailment amounted to six and a half millions. Yet at the end of that period the offices at Philadelphia, Boston and New York were in a worse condition than when the remedy was devised, for the Southern and Western offices were not restrained from freely issuing their notes, while their curtailment in many instances resulted merely in a change of debts bearing interest for debts due by local banks on which no interest was paid. And all this time the Northern offices continued to purchase and collect drafts on the South and West, though the great object of the curtailments was to draw funds from those sections.

When the curtailments began the bank was indebted to Baring Bros. and other houses to the amount of one and a half millions. To meet these obligations, the bank disposed of $2,200,000 of its funded debt, paid off $700,000 of the debt to Baring Bros., and by these complex operations furnished ways and means to the amount of one and a half millions. This transaction, Cheves says, together with the curtailments, reduced the productive capital of the institution by more than eight millions in eight months. All the funded debt which was salable had been disposed of, and by April the proceeds were exhausted. At the close of the day, April 12, the demand liabilities of the bank exceeded the specie in its vaults by more than $100,000. At the same time the bank owed to Baring Bros. $900,000 and had a circulation of $6,000,000 to meet. Meantime the Government revenue was being paid in all the ports in branch paper, while the debentures, which amounted to $1,000,000 every three months, were demanded and paid in specie. The Southern offices were remitting tardily, the Western offices not at all. "All the resources of the bank," exclaims Mr. Cheves, "would not have sustained it in this course and mode of business another month!"

In Philadelphia there was a general expectation that the bank was about to stop payment; yet one part of the danger was as yet absolutely unsuspected. During the last session of Congress the Congressional Bank Committee had discovered that the firm of Buchanan & Smith, of Baltimore, owed enormous sums to the bank. But when Mr. Cheves came into office he pursued the investigation further, and found that Buchanan, who was also President of the Baltimore branch bank, and his Cashier, McCulloch, had appropriated to their private business nearly $3,000,000 of the bank funds, and their unsecured debt amounted to $900,000. For $500,000 of this Mr. Cheves was able to obtain securities. He then removed McCulloch and

Buchanan resigned. For some days the excitement in Baltimore was so intense over Mr. Cheves' reputed severity and injustice that his agent, Mr. Colt, narrowly escaped injury at the hands of the mob. Then, however, the facts of the case leaked out and Mr. Cheves was exonerated; but popular distrust was immediately transferred to the bank, and this last blow threatened completely to overwhelm it.

The task of restoring the institution seemed an impossible one, nor were the difficulties attending it overestimated. Mr. Cheves says: "A ship without rudder or sails or mast, on short allowance of provisions and water, on a stormy sea and far from land, will afford a figure by no means too strong to express the hapless condition of the Bank of the United States." And in March Mr. Crawford, Secretary of the Treasury, writing to him of the prospects of restoring a sound currency, says: "The task will be executed with difficulty and loss, if indeed it be practicable. * * * The stoppage of specie payments by the bank and by the State institutions is inevitable. * * * I greatly fear that no efforts which it is in the power of the directors to make will be successful."

Still stronger are the statements of John Quincy Adams, as recorded in his diary. On April 5 he writes: "The bank is so drained of its specie that it is hardly conceivable that it can go till June without stopping payments. * * * The state of our currency is perilous in the highest degree, and threatens to terminate in a national convulsion." And again, on April 18, writing of a visit of Mr. Cheves to Washington, he says: "Its real cause is the tottering situation of the bank, which will very shortly be reduced to the alternative of calling in all its notes and trading on those of other banks or of stopping payment."

But, like many others, Mr. Adams had failed to appreciate the remarkable ability and energy of the new President. Three weeks after the last quoted entry in the diary the bank was safe and sound again, and in a position to aid other solvent but needy concerns.

The remedial measures adopted by Mr. Cheves to bring about this remarkable transformation were comparatively simple and obvious. The prime object, and the one toward which he immediately bent his every energy, was the maintenance of specie payments, and this he perceived depended upon the ability of the bank to sustain the national credit and to restore a sound currency. To this end, therefore, the curtailments of circulation ordered previous to his election were for a short time continued, and the offices in the South and West were forbidden to issue their notes when exchanges were against them. Measures were also taken to collect the balances due to the offices from local banks, and to obtain from the Government time necessary to transfer funds from the offices where the money was collected to those where it was to be disbursed; also, time to transfer funds to meet the notes of offices paid in offices other than those where they were payable in tenor. Moreover, debentures were to be paid in the same money in which the duties on which the debentures were secured had been paid. Lastly, it was determined to obtain a loan in Europe for a sum not exceeding two and a half millions for a period not exceeding two years. Of these measures, two deserve special attention; the one on account of the popular misrepresentations to which it has been subjected, the other because Mr. Cheves considered it the effective cause of the bank's preservation.

At that time it was believed that the curtailments originated in the policy of the new administrator of the bank, and that this course, continued too long, was at the root of many of the financial distresses of the day. In his "Financial History" Mr. Bolles has embodied this impression, and says that though Mr. Cheves saved the bank, the price paid was very high. This statement is, however, most emphatically contradicted by Mr. Cheves. He states that after he took his seat at the board not one additional curtailment was ordered, and those already in force were continued only so long as was absolutely necessary. Boston and New York were required to sustain themselves till the scattered bank funds could be collected and supplied to them; Philadelphia continued its curtailments only seventy days after Cheves' election, and at no time did the reductions of the discounts of the parent bank and of the offices north of Philadelphia exceed $400.000, until they were reduced by a lack of demand for money which was general throughout the nation. By the middle of May curtailment of circulation had ceased everywhere except in those offices where there was excess of capital. This excess was found in the offices of the South and West, and there, indeed, the suffering caused by the curtailments was real. As has been seen, those sections had for a year been conducting business on the basis of what was practically an inflated currency, and the rapid restoration of a sound currency basis caused widespread distress. Here, however, the personal popularity of Mr. Cheves stood the bank in good stead, by inspiring confidence in the institution. During the summer of 1819, Robert Hayne, of South Carolina, writing from Kentucky to Mr. Cheves, says: "I have found, in general, that the Bank of the United States is unpopular, but the public confidence in yourself is very great, and the prevailing opinion everywhere is that the affairs of the bank will in future be honestly and ably conducted;" while from Virginia W. H. Fitzhugh reports: "Your conduct in the management of the bank has met with the entire approbation of the more respectable part of the community," while he adds that without this influence there would be grave danger of a repetition of the notable opposition of 1798–99. Far, then, from augmenting the evils necessarily resulting from the enforced curtailments, Mr. Cheves' presence in office was of material assistance in moderating them.

The other measure to be particularly noticed is the European loan proposed and defended by Mr. Cheves. This loan was for $2,000,000, payable in July, 1821, when $1,000,000 was renewed at five per cent. and the remainder paid off at a profit that defrayed all charges of remittance, even with an adverse rate of exchange. The loan was at the time severely attacked as an unnecessary and oppressive measure. But in his "Exposition" Mr. Cheves successfully vindicates the necessity of the step. At the time that the loan was projected, the liabilities to Baring Bros. alone exceeded the total amount of specie in the parent bank and all its branches. To meet this charge the bank was obliged to enter into a contract to pay it in England at a given time, with interest, and in executing this contract employed the whole operations of the next business season in foreign exchanges. Other transactions tended still further to divest the country of its metallic basis, and many individuals and banking institutions were desiring a pretext for suspension of payments. To the Bank of the United States such a step would have meant ruin. Its whole salvation depended upon its ability to maintain the credit of the country and to restore the soundness of the currency, for should public confidence for a moment be shaken, a run upon the bank would ensue which must inevitably have ruined it. Moreover, the second installment of the Louisiana stock was to fall due in a few months, and the sum to be paid exceeded the total amount of specie in the cities of Philadelphia and New York. The loan was an absolute necessity.

The results of the step fully justified Mr. Cheves' expectations. He says of it that not only was it a circumstance of the utmost importance in the management of the bank, but also a measure on which turned, to a great extent, the preservation of a sound currency, an event which he holds to be more important than any other in the history of the country since the late peace.

One other question of policy for which Mr. Cheves was most bitterly attacked was that of declaring no dividends. For two years the clamors of the stockholders were firmly resisted, and not till July, 1821, was a dividend of one and a half per cent. granted. This was followed by one of two per cent. in January, 1822; two and one-quarter per cent. in July, 1822; and two and one-half per cent. in January, 1823.

These dividends, however, were much smaller than had been hoped for, and Mr Cheves' friends felt seriously alarmed at the consequent growing hostility to his administration. They feared that when once he had placed the affairs of the bank in a prosperous condition a new *regime* would be introduced, and a successor would reap the benefits and popular results of his labors. Nicholas Biddle and other directors thought Cheves too conservative and cautious, and were recognized as being opposed to his policy. There is a family tradition to the effect that a prophetic friend said to him once in a tone of anxious warning, "Take care, Cheves; you are only stuffing a saddle for old Nick to ride on."

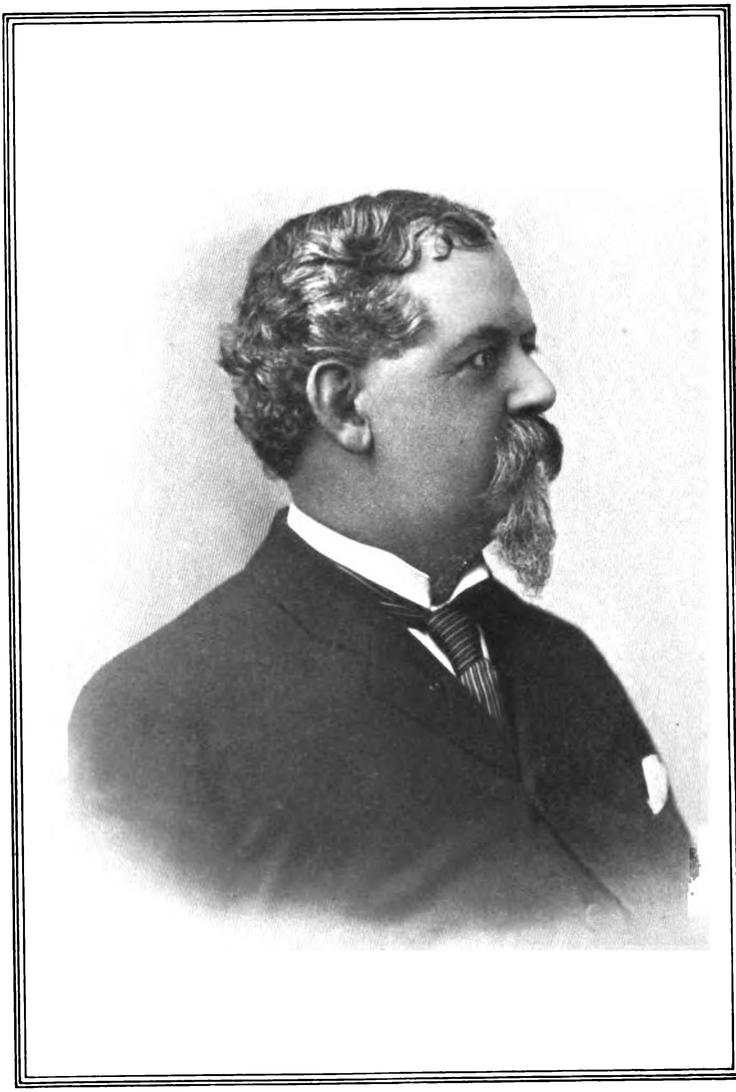
When the facts of the "Exposition" were published in 1822, however, the real value of his conservatism was realized, for it then became known that an accumulation of three and one-half millions had been made to repair past losses of the bank, and that the capital again stood whole and untrammeled. The sole purposes for which the bank needed funds were to pay the outstanding English loan of $1,000,000 and to furnish some additional capital to the parent bank and the office at New York.

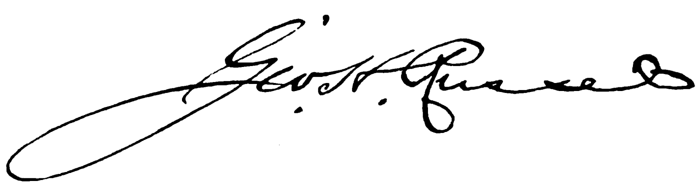
With affairs in this condition, there could be no longer any doubt that the safety of the institution was secur and its outlook for the future highly promising. Mr. Cheves' immediate task of estab'ishing a sound specie basis and maintaining the national credit was triumphantly accomplished, and there was no further inducement to him longer to retain an office which had from the first p oved highly distasteful to him. Accordingly, on July 1, 1822, he wrote to the stockholders announcing his intention to resign at the end of the year. "It was my desire," he says, "to have done so very soon after I entered upon the duties of the office; but I owed it to you and to the country * * * to hold the station * * * until the bank should be placed in a state in which a change could be made in safety and without alarm. There is, in my opinion, no longer anything in the situation of it which can make a change difficult or injurious * * * and therefore no duty on my part to forbear the gratification of a wish I have long anxiously indulged."

The announcement of this determination was received with the deepest regret throughout the country, and from every side Mr. Cheves received expressions of public confidence and concern. "Your friends believe," wrote Mr. Hayne, "that since the war you have done more for the country than any individual in it." And great anxiety was expressed as to the probable effect of the resignation upon the bank credit. Mr. Cheves, however, felt the fullest assurance of the safety in which he left the institution, and adhered to his resolution of retiring in December. He asked for a committee of investigation, which examined the affairs of the bank, and on October 1 published their report. "The circumstances of the bank," they dec'are, "fully realize the anticipations of the stockholders * * * in regard to the President, who, by his talents, disinterestedness, and assiduity has placed its affairs in an a'titude so safe and prosperous as that the bur hen of duty devolving upon his successor will be comparatively light."

The saddle had indeed been well stuffed for Nicholas Biddle, who in December was elected as his successor. The prosperity of the ba k was assured, its credit firm, and easy the task of those who followed after the man who justly has been called the Hercules of the United States Bank. LOUISA P. HASKELL.

NATIONAL BANK EXAMINATIONS.—Charles G. Dawes, Comptroller of the Currency, has ordered that the system of semi annual examinations of National banks in effect in the country shall extend over all cities without exception. In the cities of New York, Boston, Philadelphia and Baltimore but one examination by National bank examiners has been made yearly, and the custom had grown up of special examinations by the bank examiners, made for the benefit of the bank and not for the Government, for which the examiners were compensated by the banks. The Comptroller has put a stop to this practice, on the ground that it had a tendency to interfere with the rigid impartiality which should characterize an examiner's work as a Government official.





PRESIDENT ...

The new President of the ... of the long line of well known ...

Mr. Russel's father after ... went to Detroit in 1836. Mr. Russel ... natives of Detroit. His father, after ... engaged in manufacturing; the subject ... November 29, 1847, started work in an iron ... in and was connected with the manufacture ... he became President of the State Savings Bank ... he had been for three years on the board of ... Merchants and Manufacturers' National Bank ...

In December, 1889, under the new management ... association of an excellent board, the total deposits ... about $1,400,000. The bank now has deposits of ... in the savings and commercial departments, which ...

Mr. Russel is still personally interested in several manufacturing corporations, being president of the Russel Wheel and Foundry Company, vice-president of the Michigan Carbon Works, and upon the board of other leading companies.

The State Savings Bank, which has the largest commercial business of any bank in Michigan under State charter, has for its board of directors the following: R. A. Alger, W. C. Colburn, C. L. Freer, H. B. Ledyard, W. C. McMillan, R. W. Gillett, Geo. H. Russel, H. M. Campbell, W. H. Elliott, F. J. Hecker, Hugh McMillan, R. S. Mason, Henry Russel, M. S. Smith and Peter White. Geo. H. Russel, President; M. S. Smith, Vice-President; R. S. Mason, Cashier; A. E. White, Assistant Cashier of the commercial department, and H. P. ... Assistant Cashier of the savings department.

Mr. Russel is an ex President of the Michigan Bankers' Association and is President of the Bankers' Club, of Detroit. A banquet was given in his honor by the club on October 3 to mark the satisfaction felt by the bankers of Detroit on his election as President of the American Bankers' Association. About one hundred and fifty of the bankers of the city were present, and there was a general manifestation of rejoicing at the honor recently bestowed upon their guest.

As will be seen by the accompanying portrait, Mr. Russel is a man of striking personal appearance. He is six feet two inches in height and weighs 240 pounds.

At the convention held at Detroit in 1897 Mr. Russel took a prominent part in welcoming the bankers to that city, and his popularity with the members won him the office of first vice-president. At the recent convention at Denver, he was made president, there being no opposition to his election. His long and successful identification with banking and other prominent business enterprises, the felicity of his public speeches, and the capability of making friends of those whom he meets—these are qualifications which insure a successful official career for the new president and promise to make the next twelve months of the history of the American Bankers' Association compare favorably with the high standard established by President Hendrix and his predecessors.

GEORGE H. RUSSEL.

PRESIDENT AMERICAN BANKERS' ASSOCIATION.

The new President of the American Bankers' Association is a worthy successor of the long line of well-known bankers who have filled that office in the past.

Mr. Russel's father, after graduating at Jefferson Medical College in Philadelphia, went to Detroit in 1836. Mr. Russel's mother and his maternal grandmother were natives of Detroit. His father, after retiring from the practice of his profession, engaged in manufacturing; the subject of this sketch, who was born in Detroit, November 29, 1847, started work in an iron furnace in 1863, and continuously worked in and was connected with the manufacturing interests of Detroit until 1889, when he became President of the State Savings Bank. Prior to his election to this position he had been for three years on the board of the bank, and had been a director of the Merchants and Manufacturers' National Bank for several years.

In December, 1889, under the new management and reorganization, and with the association of an excellent board, the total deposits of the State Savings Bank were about $1,400,000. The bank now has deposits of $6,000,000, about equally divided in the savings and commercial departments, which are run separately.

Mr. Russel is still personally interested in several manufacturing corporations, being president of the Russel Wheel and Foundry Company, vice-president of the Michigan Carbon Works, and upon the board of other leading companies.

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*STATE BANKS OF ISSUE IN ILLINOIS.

[This essay was written by Charles Hunter Garnett, A. M., a student of the University of Illinois, in competition for a prize of $100, offered by Henry H. Harris, of the First National Bank, Champaign, Ill. The judges to whom the competitive essays were referred were unanimous in awarding the prize to Mr. Garnett.]

Fourth Period: Free or Stock Banks, 1851-1863.

From 1843 to 1851 there were no banks of issue in Illinois. The old banks were being wound up and various laws were passed by the Legislatures of 1846-47, 1848-49, and 1850-51, to expedite and direct their dissolution. The leading political party of the State, the Democratic, held, and in its platform of 1845 declared, that the State ought not to incorporate or charter either State banks or any other banking institutions whatever. In 1847 a convention was held to draft a new constitution, which was submitted to the people and adopted by them in 1848. The Democratic papers of the State urged that the constitution be made to forbid banking institutions, and an article was proposed in the convention which forbade the Legislature to create any bank or authorize the issue of bank paper, and required it to prohibit by adequate penalties the circulation of any bank paper within the State. This proposition was defeated by a single vote, and the provisions finally inserted on the subject were much milder. They read as follows: †

"No State bank shall hereafter be created, nor shall the State own or be liable for any stock in any corporation or joint-stock association for banking purposes to be hereafter created. The stockholders in every corporation or joint-stock association for banking purposes issuing bank notes, or any kind of paper credits to circulate as money, shall be individually responsible, to the amount of their respective share or shares, of stock in any such corporation or association, for all its debts and liabilities of every kind. No Act of the General Assembly auththorizing corporations or associations with banking powers shall go into effect, or in any manner be in force, unless the same shall be submitted to the people at the general election next succeeding the passage of the same, and be approved by a majority of all the votes cast at such election for and against such law."

By the end of 1848 the establishment of a banking system was again agitated. It was proposed to divide the State into three banking districts with a board of bank trustees for each. Circulating notes were to be issued to banking associations upon deposit of United States stock and a certain portion of gold as security. The scheme, however, failed of adoption, though in respect to security it was certainly preferable to the one afterwards adopted.

In his message in 1851 Governor French took strong ground against the revival of banks in the State. This did not, however, deter the Legislature from passing an Act to establish a general system of banking. It was modelled after the banking law of New York. It provided that any number of persons might form a banking association upon depositing with the Auditor at least $50,000 of United States stocks on which full interest was annually paid, or Illinois stocks valued at twenty per cent. less than they had been sold for in New York for six months previous, no stock to be valued above its par value, or its market value at the time of deposit. The persons making this deposit were to receive from the Auditor notes of denominations above one dollar to an amount equal in value to the stocks deposited. The

* Continued from the October number of the Magazine, page 665.

† Davidson & Stuve's History of Illinois, p. 426.

issuing of notes by the Auditor in excess of the amount of stocks deposited was forbidden under heavy penalties; and stockholders or creditors to the amount of $3,000 or more might at any time apply to the circuit court for a judicial examination of the bank. The Auditor was to deliver to the bankers an amount of their deposited stocks equal to the amount of any notes returned to him for cancellation. Notes were redeemable only at the bank where issued. When any bank refused to pay its notes on demand the Auditor was to sell the pledged bonds at auction in New York, and pay the notes, with twelve and a half per cent. interest as damage from the proceeds. The bank was to be prohibited from exercising further banking privileges, its assets were to be taken by a Receiver and applied first to the redemption of notes, second, to the payment of other indebtedness, and third, to the payment of stockholders. If the stocks and other effects of the bank were insufficient to redeem its notes, the stockholders were to be liable in their private capacities to the amount of their shares. A board of three commissioners was provided for, who were to examine the banks annually and inspect the securities held by the Auditor; if any of these had depreciated additional security was to be required. The officers of each bank were to make quarterly statements of the condition of the bank to the Auditor. A bank might go into voluntary liquidation after redeeming ninety per cent. of its notes and depositing specie for the remainder.

Upon the passage of this bill banks and banking at once became again a source of political strife. The bill, though passed by a Democratic Legislature, was returned by Governor French, himself a Democrat, with a strongly-worded veto message.* Despite the Governor's objections, however, the bill passed both houses on the same day it was returned, February 15, and became a law subject to the approval of the people at the next general election.

There was great contrariety of opinion as to the probable effect of the new law. Some feared that the provisions of the Act were so stringent that few banks would be organized under it; others "ran wild after the discovery of the new and safe scheme whereby the capitalists, contrary to Franklin's aphorism, might eat his cake and have his cake—invest his money in bonds, deposit them, and from the hands of the Auditor have his money again and own his bonds too."† The currency of the State was already made up largely of notes issued by similar banking institutions of other States, and the advocates of the measure urged that this State should supply its own currency and derive the benefits to trade and commerce which banks could confer. In order to have the law voted on as early as possible and yet at general election, as the constitution required, the General Assembly resorted to the expedient of legislating all the county treasurers out of office and ordering a new election; and at this election, in November, 1851, after the friends and opponents of the law had thoroughly canvassed the State, it was adopted by a vote of 37,626 to 31,405.

At the time this law went into operation Illinois was growing at a marvelous rate and banking facilities and a bank currency were certainly needed by her business interests. Within a year seventeen banks were started, with a circulation of $1,351,-788. The stocks deposited with the Auditor to secure the circulation were chiefly Illinois canal, interest, and internal improvement, bonds; the remainder being Virginia 6's, and Ohio, Missouri, Kentucky and California bonds. This addition to the circulating medium produced a rapid expansion of business and enhanced prices. A speculative tendency soon appeared and some newspapers declared that the experience of 1819 and 1837 was about to be repeated, but the expansion at this time was largely due to natural and legitimate causes. Illinois was at the height of prosperity. A vast tide of immigration was pouring in, railroads and other improvements were being carried rapidly forward, and commerce was developing accordingly.

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* House Reports, 1851, p. 493. † Davidson & Stuve's History of Illinois, p. 586.

This rapid growth, however, soon led to over-expansion, which, with other causes, produced the panic of 1854. This panic was especially felt in the West and Northwest. "In Ohio, Illinois, Michigan, Wisconsin, Iowa and Missouri * * * a large circulation of bank notes, mostly of the free banks, had been obtained through expenditures for railroad purposes, and the general expansion of business. When the contraction began, this circulation came in rapidly and found the banks wholly unprepared to meet it."* The Illinois banks, by drawing on their balances in the East and borrowing to the extent of their credit, managed to continue payments. A slight decline in their stocks deposited was at once made good by additional securities. The Auditor's report for 1854 shows that the number of banks had increased to thirty-three, two of which, however, had gone into liquidation solvent; and one, having failed to redeem its notes, had been placed in the hands of a Receiver and its securities advertised. The securities deposited at this time were all at par except those of California, which were rated at eighty per cent., and those of Illinois, the highest of which were rated at fifty per cent. The total amount of the stocks deposited was $2,651,210, and the amount of circulating notes outstanding was $2,649,341.†

The banks had not, however, succeeded in demonstrating their usefulness sufficiently to win over all their opponents. In his message of January 3, 1853, Governor French renewed his attack on them, protesting in the interests of the people, "against a mass of circulating trash in the guise of a paper currency, which is finding its way into every part of the State." That a well-secured paper currency should fail to drive out worthless foreign and equally worthless domestic issues was, of course, the only possible result. And the Legislature attempted the equally vain expedient of trying to legislate foreign irredeemable paper out of the State. An Act, commonly known as the "Foreign Small Note Act," was passed on February 10, 1853, and went into force on the first of the following August. It provided more stringent rules for the incorporation and regulation of banks within the State; and enacted that any person who should issue, pass or receive a note of a denomination less than five dollars, to be used as money, other than the notes of the banks of this State, or specie-paying banks, lawfully organized in other States, should be liable to a fine of fifty dollars and imprisonment for one year. The law was, however, everywhere violated from the start and foreign notes continued to circulate as before. Manifestly if unlawful currency already circulated and unlawful banking was being carried on, they could not be prevented by making them more unlawful. In 1855 the bank commissioners recommended that banks be allowed to charge ten per cent. interest, like private individuals; that they be allowed to take up their securities from the Auditor in sums of $1,000 or more, instead of being compelled to take up all but ten per cent., as was then the law; and that the discrimination of twenty per cent. against Illinois stocks deposited as security be removed. At this session only the recommendation with respect to taking up securities was enacted into law.

The Auditor's report for 1856 gives a list of sixty-one banks, with a circulation of $6,480,873, and securities with a cash value of $6,663,389. Of these sixty one banks, eleven had been closed or had gone into voluntary liquidation, leaving fifty in operation.

The panic of 1857 severely tried the banks. The state of the currency was generally regarded as the root of the trouble, and to it were ascribed the over-trading,

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* "Hunt's Merchants' Magazine," Dec, 1854. Sumner's History of American Currency, p. 178.

† It will be observed that the amounts of bank circulation securities, etc., as taken from the Auditor's reports, do not agree with the amounts given in the table taken from the Comptroller's report for 1876 and inserted at the end of this paper. Presumably the Auditor's figures are the more accurate.

over-importation, stock speculation, etc.* In Illinois, especially, business expansion was at its greatest tension. The period from 1851 to 1860 has never been equalled by this State before or since in rapidity of growth. To this activity from natural causes the abundant currency furnished by the stock banks of the different States gave an unwonted stimulus. In the spring of 1857, when signs of a crisis began to be manifested, some of the securities of the Illinois banks declined. On May 8, the bank commissioners notified the banks to file additional securities, and all responded save two. But the securities continued to decline, and on July 27 another requisition was made on the banks to file, within ninety days, additional security. The failure or inability of the banks to meet this requisition would have thrown into the market $4,560,000 worth of securities, $2,738,000 of which were Missouri stocks. In the existing conditions of the market this would have depressed their value below the amount necessary to redeem the notes based on them, thereby producing a depreciated currency. For fear of this result it was strongly urged that the time limit of the requisition should be extended, but the bank commissioners remained firm and all the banks but three promptly met the call. Some embarrassment was caused later, in consequence of the refusal of the St. Louis merchants and brokers to take Illinois currency. But one of the bank commissioners visited them, explained the provisions of the banking system for securing notes, the value of which at that time depended largely on the credit of Missouri, and induced them again to accept Illinois currency. The recovery from this crisis was rapid and complete. Yet the trial to which the banks had been subjected had exhibited their worthlessness as props to business, though no material losses resulted to the people on their circulation.

In 1857 the Legislature put Illinois' bonds on an equal footing with those of other States as note securities, and all were to be valued at ten per cent. less than their market price; and the legal rate of interest was fixed at ten per cent. The principal trouble with the circulation, however, arose from the fact that banks were often started in remote places at which alone their notes could be presented, and where they had to be presented and protested separately; and the bank could cause unreasonable delay in redemption by counting out small change for each bill presented. This evil, also, the Legislature of 1857 sought to remedy. The location of a bank in a place of less than two hundred inhabitants was forbidden; the banks were required to be located at the place where their notes were dated; and the notes were made redeemable and could be protested in packages. The Supreme Court of the State declared these amendments constitutional without submission to the people. Yet the admendments failed to accomplish all the desired results, for as late as February, 1861, the bank commissioners reported:

> "The business of banking has gone in many cases into the hands of irresponsible and non-resident persons, who, having no object of interest except to get their notes into circulation and leave the bill holders to take care of them, have located their banks in remote and inaccessible places, where no legitimate business can be done, or is expected to be done, and thus the country has become flooded with what is known as 'wildcat' currency."

In 1858, fifty-six banks were reported, nine of which had filed certificates of their intention to wind up their business, and two had deposited specie with the Auditor and withdrawn their securities. The falling off in the number of banks was doubtless due to the panic of 1857. The securities of deposit amounted to $7,057,859. The sum total of their resources was $11,000,000; their capital stock $4,000,000; the amount of notes in circulation $5,000,000; the profit and loss account about $1,200; and their surplus $164,000.

The figures in the report of the Auditor for 1860 show that one hundred and ten banks were then in operation with a circulation of $12,320,694. The following table † shows their securities and the cash value of the same:

* Sumner's History of American Currency, p. 185.

† Bank Commissioner's Report, Dec. 14, 1858.

Stocks Below Par.

Stocks.	*Par Value.*		*Market Value.*
Missouri 6's	$3,026,000	At 67½	$2,042,550
Tennessee 6's	3,321,000	At 72½	2,407,725
Virginia 6's	1,284,000	At 76	975,840
Louisiana 6's	507,500	At 75	380,625
North Carolina 6's	888,000	At 82	728,160
South Carolina 6's	100,000	At 20	20,000
Georgia 6's	335,000	At 80	268,000
Kentucky 6's	66,000	At 92½	61,050
	$9,527,500		$6,883,950

Par Stock.

		$6,883,950
Ohio 6's	$284,855	
Iowa 6's	91,000	
Michigan 6's	442,000	
Michigan 7's	50,000	
Minnesota 8's	140,000	
New York 6's	282,000	
United States 5's	19,900	
United States 6's	827,000	
Illinois and Michigan Canal	531,619	
Illinois New Internal Improvement Stock	323,238	
Illinois 6's	1,418,000	
Specie	42,861	$4,452,473
		$11,336,423

In the first half of 1860 banking under the general law of 1851 reached its highest point. As a system of legitimate banking it was faulty and lax in its provisions, but as a system for furnishing a safe circulating medium it was well guarded and successful.* During the nine years in which the law had been in operation, fourteen banks had been closed up, and all their notes had been redeemed at par, excepting in one case, and in that the discount had been but three per cent.† The year 1861, however, brought new conditions. All the securities had depreciated and the stocks of Southern States became almost worthless.

The General Assembly, on February 14, 1861, amended the law by requiring that all securities thereafter deposited should be United States or Illinois stocks and that upon the depreciation for sixty days of any State bond, the Auditor was to call upon the banks to make up the deficiency within six months. Springfield and Chicago were made centers of redemption, interest damages on notes protested were raised from twelve and one-half to twenty per cent., and the Auditor was directed to pay out proceeds from bonds deposited *pro rata* on notes protested or notes of banks gone into liquidation. Within a month the depreciation of the various State stocks had become so great that many of the notes began to pass from hand to hand with "a nervous precipitancy which showed a general distrust of their value." The city banks tried to send the doubtful bills out to the country to buy produce, but the farmers were also distrustful and the bills were returned as fast as they could be sent out. Chicago brokers, and later the railroads, issued daily lists of the notes they would receive, made out arbitrarily and often rejecting notes shown by the Auditor's reports to be secure. No one could do business without having one of the lists, or bank-note reporters, constantly with him. The notes came to be divided into "Illinois common" and "Illinois preferred," of different values, and New York exchange soon rose to thirteen per cent. above the preferred. To make matters worse large amounts of the almost valueless currency of the Southern States was in

* Moses' History of Illinois, I. p. 570.

† Governor's Message, 1861.

circulation. "A well-known banker bought a bank and endorsed with his own hand all its notes as they came to him. An equally well-known editor. whenever he could get possession of one of these notes, printed beneath the endorsement a picture of wildcats quarreling, and reissued them."*

A special session of the Legislature met in April, and various schemes for relief, one proposing that the State guarantee the bills, were suggested. All failed of adoption. A very elaborate plan for a new banking system, entitled "An Act providing for the organization of a central bank to be called the Union Bank of Illinois, with as many branches as might be organized under the charter," was passed by the Legislature but rejected by the people. Many of the banks were unable to comply with the commissioners' demands for additional securities, and by 1862 their number had decreased from 110 to sixty-two, and most of their notes had been redeemed by surrendering them for the securities. The Auditor's report for 1864 shows twenty-three banks in operation and ninety-eight in suspension. By this time the national banking system had gone into operation and the tax on the issues of State banks gradually extinguished their circulation. A law was passed in 1867 permitting State banks to file a bond for their circulation, and receive their securities. Another law declared that any person or persons, not incorporated by law with banking powers, who should issue notes or bills, should be deemed a common swindler and liable to indictment. It also provided that no more banks should be incorporated with power to issue bills. This Act closes the history of State banks of issue in Illinois.

State banks of deposit and discount have been in operation under general laws since 1851. By the construction put upon the constitution of 1848, these laws did not need to be submitted to the people. In the constitutional convention of 1869, it was unanimously agreed that while State bank systems had been fully tried and had brought only disaster, it would not be unwise to make some provision for a system of State banks which might be used in meeting contingencies that might occur. Accordingly the following provisions were incorporated in the constitution and are now the law:

"No State bank shall herefter be created, nor shall the State own or be liable for any stock in any corporation or joint-stock company or association for banking purposes, now created or to be hereafter created. No Act of the General Assmbly authorizing or creating corporations or associations with banking powers, whether of issue, deposit, or discount, nor amendments thereto, shall go into effect, or in any manner be in force unless the same shall be submitted to a vote of the people at the general election next succeeding the passage of the same, and be approved by a majority of all the votes cast at such an election for and against such law. Every stockholder in a banking corporation or institution shall be individually responsible and liable to its creditors over and above the amount of stock by him or her held, to an amount equal to his or her respective shares so held for all its liabilities accruing while he or she remains such stockholder. The suspension of specie payments by banking institutions on their circulation, created by the laws of this State, shall never be permitted or sanctioned. Every banking association now, or which may hereafter be, organized under the laws of this State shall make and publish a full and accurate quarterly statement of its affairs which shall be certified to under oath, by one or more of its officers as may be provided by law. If a general banking law shall be enacted it shall provide for the registry and countersigning by an officer of the State, of all bills or paper credit, designed to circulate as money and require security to the full amount thereof to be deposited with the State Treasurer, in United States or Illinois State stocks to be rated at ten per cent. below their par value; and in case of a depreciation of said stocks to the amount of ten per cent. below par the bank or banks owning said stock shall be required to make up said deficiency by depositing additional stocks. And said law shall also provide for the recording of the names of all stockholders in such corporation, the amount of stock held by each at the time of any transfer thereof, and to whom such transfer is made."

Amendatory Acts of the Law for State banks were passed in 1879 and in 1887; and at the latter date also an Act entitled "an Act providing for a State bank sys-

* Lyman J. Gage's Banking in Illinois, p. 437.

tem" was passed by the Legislature and ratified by the people, and as amended in 1889 is now the law.

With these banks of deposit and discount merely and with private banks this history is not concerned. "They are important factors in the banking interests of this State, however, for it is estimated that there are in Illinois to day at least five hundred banks of deposit and discount, either existing under such private charters or unincorporated, and a capital of at least $13,000,000 engaged in banking through the medium of such incorporations and of private banking houses. These estimates are but roughly made as accurate statistics cannot be had." *

* Lyman J. Gage's Banking in Illinois, p. 433.

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.]

THE EMPIRE OF THE SOUTH; ITS RESOURCES, INDUSTRIES AND RESORTS. By FRANK PRESBREY. Washington: Southern Railway Co.

The wonderful progress which the South has been making in all lines of industrial, commercial and intellectual development has been most fittingly set forth in a magnificent volume, which, after months of careful preparation, has just been issued by the Southern Railway.

This book, the title of which, "The Empire of the South," conveys an idea of its character, is beyond question one of the most comprehensive and at the same time artistic publications ever issued from the press. It contains nearly two hundred octavo pages, over four hundred exquisitely printed illustrations, and makes a presentation of Southern interests in all lines of human activity, which for thoroughness of treatment has never been approached.

The opening chapter of the book, under the caption of "The South, Yesterday, To-day and To-morrow," discusses in a broad and forcible manner the present and future of the Southern States, treating at considerable length the various interests, such as agriculture, tobacco, iron, coal, resorts, climate, etc. Following this are chapters devoted to each of the States south of the Ohio and Potomac, and east of the Mississippi rivers.

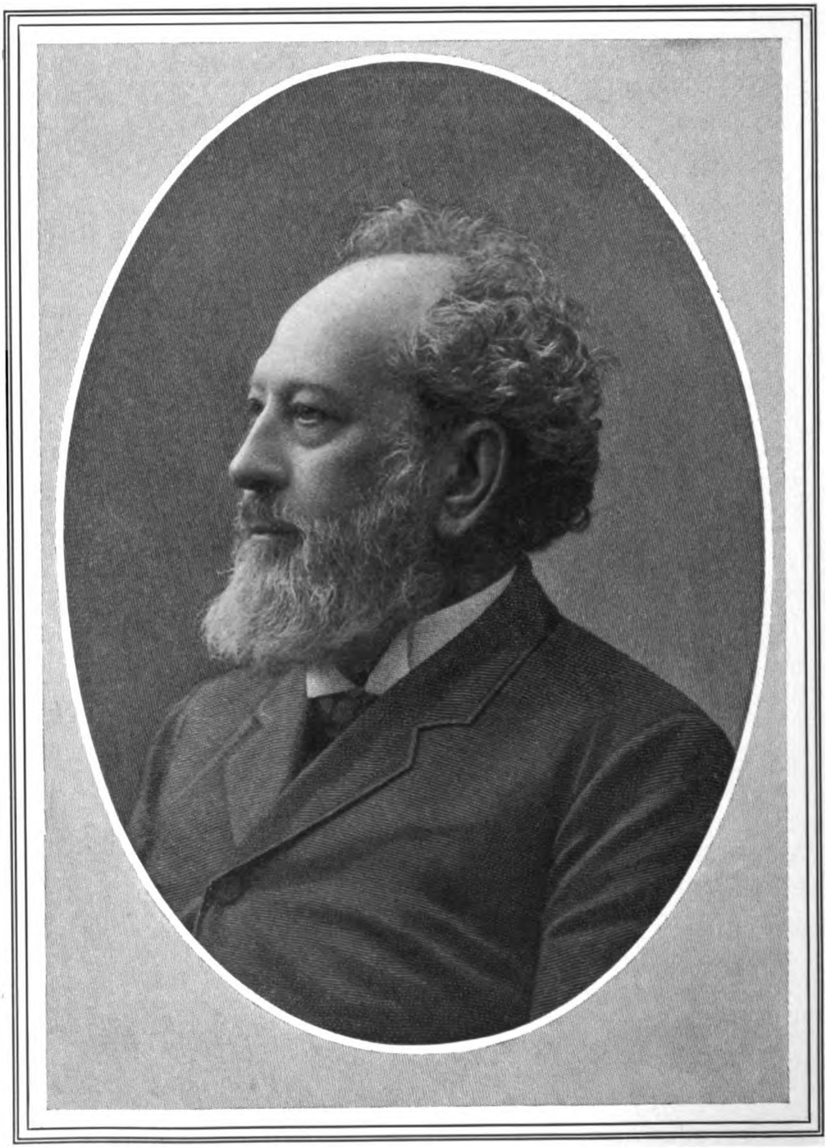
These give a brief, interesting sketch of the early history of each State, and then touch upon all its important activities, showing the progress being made, not only by the State itself, but by the leading cities.

The South is a land possessing many and abundant elements of material prosperity, and while great development has taken place since the Civil War there is yet a wealth of untouched resources awaiting the vivifying hand of capital and industry.

To those who wish to find out more about this favorable field for investment, or who would learn of its numerous and attractive summer and winter resorts, the above-mentioned book will be most welcome.

THE ARITHMACHINIST. By HENRY GOLDMAN. Chicago: Office Men's Record Co.

This is a little book devoted to mechanical computing machines, and especially to a full explanation of the workings of Goldman's Arithmachine, a mechanical device which performs all the ordinary arithmetical computations. As bankers are interested in inventions of this kind, possessing practical utility, they will no doubt profit by reading a complete exposition of the principles governing the operation of this machine.



Yours Very Truly,
Sam'l. J. Bayard

SAMUEL BAYARD

It is very obvious that the [illegible] purpose of [illegible] make money for its shareholders. [illegible] such [illegible] enterprises of communities are built up, philanthropic [illegible] aided, and sometimes political fortunes are made. However [illegible] may be, they are not the objects for which banks are established [illegible] shareholder's standpoint, a bank is—with [illegible] a money-making concern. A little consideration [illegible] upon which the banking business can be carried [illegible] the energies of bank managers should be directed [illegible] holders; [illegible] is the last claimant to the assets of [illegible] is no doubt as to the security of depositors or [illegible]

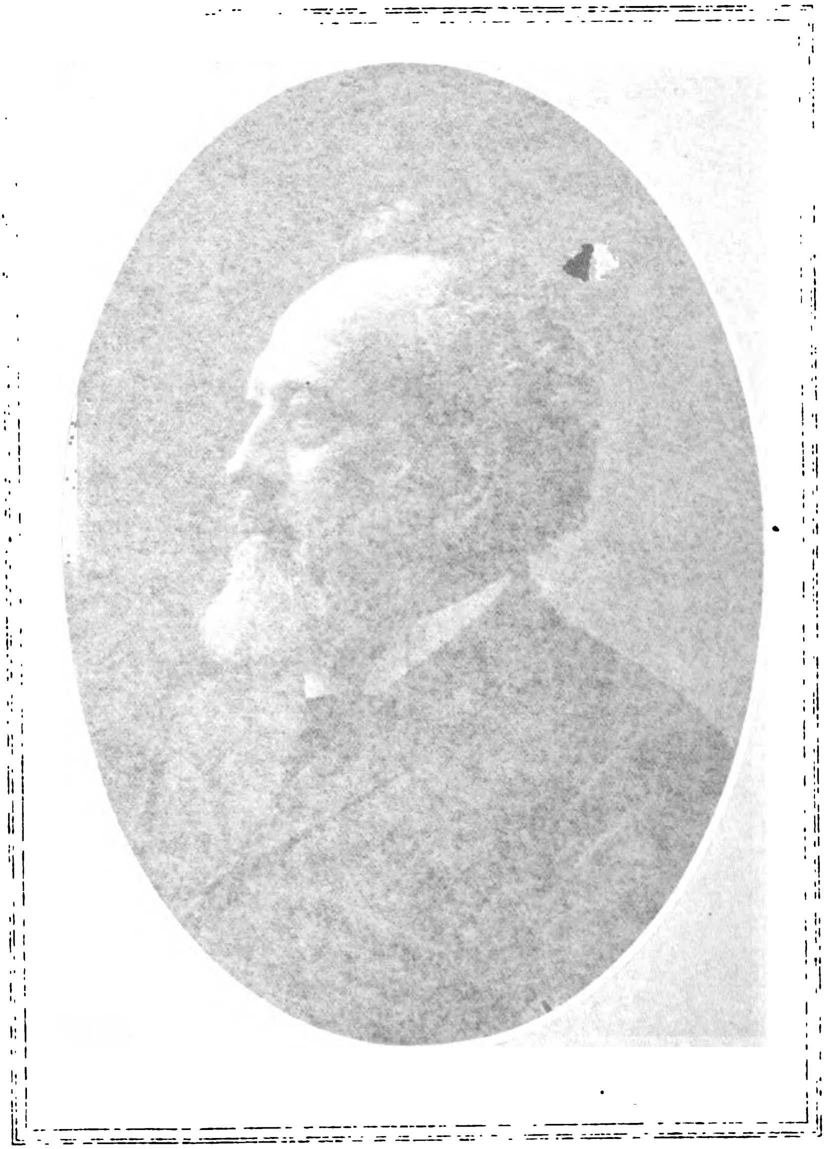
The capacity of a bank to [illegible] ing officers, and the best evidence [illegible] discovered in a period of years [illegible]

Measured by this standard, the [illegible] This implies that he possessed that discrimination [illegible] possibilities of either success or failure in undertakings [illegible] to which [illegible] the very highest personal character.

Samuel Bayard was born of French parents, at [illegible], Ind., in 18[illegible], and was educated in the public schools of Knox county. [illegible] was for a time deputy clerk of the circuit and probate courts of the county [illegible] the position in 1851 to accept a clerkship in the Evansville branch of the State Bank of Indiana. It was here that his genius for banking [illegible] manifest itself [illegible] the traits [illegible] courtesy, punctuality and strict integrity, so well [illegible] were observed from his first entrance upon his chosen [illegible] with such marked ability that in November, 18[illegible] only two [illegible] was appointed, he was promoted to the position of [illegible] that capacity until the final liquidation of the bank in 18[illegible]

In 1857 he was appointed Cashier of the branch [illegible] of the Bank of the State of Indiana, and [illegible] occupied this position until the close of the branch.

The old State Bank, whose name was changed in 18[illegible] to the Bank of the State of Indiana, having lived its day and performed its service well [illegible] to the [illegible] conditions which the war had brought and, passing through voluntary liquidation, was reorganized in 1865 under the law of Congress authorizing the establishment of National banks. The affairs of the old branch bank had been so successfully conducted and the record of its management was so [illegible] blameless that there was an eager demand for shares in the new organization, which was known as the Evansville National Bank. Every dollar of the stock was eagerly taken; indeed it became a difficult question as to how it could be distributed without apparent favoritism. Under this name the bank continued in business until the expiration of its charter, when it was reorganized in 1885, under the name of the Old National Bank, the fact that it was not only the first financial institution in the [illegible] but one of the oldest National banks in the State, suggesting the change [illegible] capital stock of the Old National Bank was placed at five hundred thousand [illegible]



Yours Very Truly,

Carl V. Bayard

SAMUEL BAYARD.

It is very obvious that the prime purpose of the organization of any bank is to make money for its shareholders. Incidental to such organizations, the business enterprises of communities are built up, philanthropic and benevolent causes are aided, and sometimes political fortunes are made. However proper these things may be, they are not the objects for which banks are established. Viewed from a shareholder's standpoint, a bank is—within a legitimate sphere, of course—a money-making concern. A little consideration will show that there is no other safe basis upon which the banking business can be carried on. It has been well said that all the energies of bank management should be directed to the protection of the stockholder; he is the last claimant to the assets of a bank, and when he is secure, there is no doubt as to the security of depositors or other creditors.

The capacity of a bank to make money is the surest test of the skill of its managing officers, and the best evidence of their ability is the payment of comfortable dividends over a long period of years, and the proper maintenance of the surplus fund.

Measured by this standard, the subject of this sketch was a successful banker. This implies that he possessed that discriminative judgment which sees the possibilities of either success or failure in undeveloped enterprises, to which must be added the very highest personal character.

Samuel Bayard was born of French parents, at Vincennes, Ind., in 1824, and was educated in the public schools of Knox county. He was for a time deputy clerk of the circuit and probate courts of the county, relinquishing the position in 1851 to accept a clerkship in the Evansville branch of the State Bank of Indiana. It was here that his genius for banking began to manifest itself; and the traits of business courtesy, punctuality and strict integrity, so well recognized in the mature man, were outlined from his first entrance upon his chosen life. He filled this situation with such marked ability that in November, 1851, only two months after the previous appointment, he was promoted to the position of teller, and continued to act in that capacity until the final liquidation of the bank in 1858.

In 1857 he was appointed Cashier of the branch at Evansville of the Bank of the State of Indiana, and he also occupied this position until the close of the branch.

The old State Bank, whose name was changed in 1847 to the Bank of the State of Indiana, having lived its day and performed its service well, yielded to the changed conditions which the war had brought and, passing through voluntary liquidation, was reorganized in 1865 under the law of Congress authorizing the establishment of National banks. The affairs of the old branch bank had been so successfully conducted and the record of its management was so entirely blameless that there was an eager demand for shares in the new organization, which was known as the Evansville National Bank. Every dollar of the stock was eagerly taken; indeed it became a difficult question as to how it could be distributed without apparent favoritism. Under this name the bank continued in business until the expiration of its charter, when it was reorganized in 1885, under the name of the Old National Bank, the fact that it was not only the first financial institution in the city, but one of the oldest National banks in the State, suggesting the change. The capital stock of the Old National Bank was placed at five hundred thousand dollars, and the surplus paid in by those who were fortunate enough to acquire shares amounted to half as much more, so that a premium of fifty per cent. was paid for every stock certificate issued.

Since 1885, when the reorganization occurred, it has distributed more than half a million dollars in dividends without encroaching upon the original surplus. Such a record needs no encomium. The simple statement of it is the most emphatic and eloquent testimonial that could be bestowed upon any corporation.

Mr. Bayard was a self-made man, starting his business career with no capital but brains, integrity and a great capacity and willingness for hard work.

His promotion to the highest office in the bank was by gradual steps and as a result of his abilities. It was in 1878 that he reached the highest office, which he had retained for the past twenty years.

Having mastered all of the details of the science of practical finance and being a man of wide reading upon all questions of an economic nature, Mr. Bayard's reputation as a safe and skillful financier may be said to have been co-extensive with the whole country.

While never obtruding himself upon the public attention, his counsels were often sought where matters involving financial interests were under consideration, and they were as freely given to individual applicants whose means were limited as to those who counted their fortunes in large figures or to wealthy corporations.

He fully understood how sensitive capital is to political changes and commercial vicissitudes, and therefore looked upon all financial transactions with the conservatism so essential to safe banking. Yet the policy of the Old National Bank has always been liberal, so that its influence in developing the material resources of Evansville and the surrounding country has been universally recognized and applauded.

In 1864 Mr. Bayard was active in founding the banking firm of W. J. Lowry & Co. He aided in organizing the German National Bank of Evansville, of which he was a director until his death. In June 1870, he was elected a director of the Evansville, Carmi and Paducah Railroad Company, which corporation was subsequently consolidated with the St. Louis and Southeastern Railway, and is now known as the Western Division of the Louisville and Nashville Railway, consolidated. He was then continued as a director.

He was one of the most influential citizens in the establishment of the first public library, and had served as treasurer and also as president of the association.

Mr. Bayard died at Saratoga Springs, New York, on September 8, 1898. His death was deeply mourned in the city in which he had lived and where he enjoyed the confidence and respect of its people.

The language of a resolution adopted by his banking associates records that he was "a generous friend, a good citizen and a true man, who filled all the relations of life with faithfulness, and honored every position in which he was placed."

The fitness of his character and the scope of his abilities as a banker are witnessed most effectively by the very high position which the Old National Bank occupies among the solid financial institutions of the Middle West. The capital, surplus and deposits are certainly highly creditable to a city of modest proportions like Evansville, and indeed the bank will compare very favorably with many financial institutions in the metropolitan centres.

To set down these facts, without exaggeration, is to pay the highest possible tribute to Mr. Bayard's memory, for he was thoroughly devoted to the bank. His labors will be of enduring benefit to the city where he lived, and the example of his life and character will be an inspiration to those who desire to win success by following the paths of industry and integrity.

MODERN BANKING METHODS.

A NEW SERIES ON PRACTICAL BANKING—HELPFUL POINTS DERIVED FROM EXPERIENCE.

ORGANIZING A NATIONAL BANK.

The Vice-President has as a general rule, except in some of the large city banks, very little to do. The articles of association usually prescribe that "the Vice-President shall be a member of the board of directors, and shall be authorized, in the absence or inability of the President from any cause, to perform all acts and duties pertaining to the office of President, except such as the President only is authorized by law to perform."

The signing of circulating notes is the only act that the Vice-President is specially authorized by law to perform, this of course only in the absence or inability of the President, and he is not therefore legally qualified to act in the place of the President in performing any other act prescribed by the United States statutes for the President.

In large city banks there is sometimes more than one Vice-President, and they share with the President many of the duties, such as looking after certain classes of loans or taking the general management of certain departments. It can be seen that a man of similar characteristics to those required by the President is necessary.

The Cashier is the important working man in the bank. He is in reality the executive officer, and represents the will of the President and directors, and sees to it that their will and wishes are carried into effect; but he is nevertheless an agent of the shareholders—an independent and responsible officer.

As the success and welfare of every bank necessarily must depend very largely upon the ability, integrity and skill of its Cashier, it is exceedingly important that this officer should be thoroughly posted upon all the detail of bank work, and should clearly understand the responsibilities devolving upon him, and the nature of his duties. He should study the National Banking Law with relation to his legal standing and duties and to the penalties prescribed, especially those in Sections 5208 and 5209.

He should keep himself fully acquainted with the banking laws under which he is working, read the reports of banking law cases and make himself conversant with the customs and practices pertaining to his position. A very great aid in this are some of the excellent banking journals and magazines with which the modern bank Cashiers are favored.

The bank Cashier should be eminently a practical banker. He should have worked at all the various desks of a bank and thoroughly understand the detail, as it is he who must direct the clerical force.

Of course the first requisite for a Cashier is high and unimpeachable character. He should be beyond criticism as well outside of the bank as inside, and this should pertain to all employed in a bank. In no other business is this so necessary, for in no other business is there so much responsibility regarding the property of others. No man of speculative tendencies, or who is disposed to be dissipated in the slightest degree, no matter what his popularity, should ever be made Cashier of a bank; the risk is too great.

In the matter of popularity a word of explanation may be useful, as it would not be wise to place what is considered an unpopular man in an official position in a bank.

There are two types of popularity, one connected with the lower element, not necessarily the poor, and the other representing the higher and better element, speaking always from a standpoint of high character.

The man who seeks to be popular with *everybody* must necessarily be a weak man and is not fit to be an officer of a bank.

To be a successful bank officer, and especially a Cashier, the utmost courtesy, combined with firmness, is necessary.

Duties of the Cashier.

The duties which a Cashier is by law required to perform consist principally of the verification of various reports and certificates under oath, and the signing of circulating notes. The by-laws generally prescribe that he shall be responsible for all the moneys, funds and valuables of the bank, the signing of checks, drafts, certificates of deposit, Cashiers' checks and other vouchers for money or valuables entrusted to the bank for safe keeping, or for the payment of running expenses; the buying and selling of exchange, coin, and bullion. He may also indorse paper left with the bank for collection, indorse and deliver paper and collateral security representing the same, when paid, but he cannot compromise a debt or change the terms of a contract without authority from the board of directors.

He may rediscount negotiable paper for the benefit of the bank, or pledge securities to borrow money, but all such acts should only be made with the full knowledge and consent of the board of directors. The board of directors may limit the powers of the Cashier, but if he should act in spite of these limits his acts would bind the bank to outside parties, for it is difficult for the bank to go behind the Cashier's signature.

The Cashier has the power to certify checks, for although the teller may be clothed with the power to do so, this in no way affects the right of the Cashier.

The Cashier also signs all certificates of stock, and except in large banks in our cities, he takes charge of the stock ledger. He also has charge of the dividend book.

At the meetings of the board of directors he acts as secretary and writes up the minutes, and attests the signature of the President to the same.

The correspondence generally falls to the Cashier, but in many of our large and busy banks it is found necessary to distribute this among various departments, the corresponding clerk, the collection clerk, and the Assistant Cashier performing the most of it.

Tne Cashier is expected to know the condition of his bank at all times, for although he does not keep the books, yet he, as the executive officer, with everything under his charge, will be expected to know. To assist him in this, a statement book, generally made up daily (in some country banks weekly), is written up by the general bookkeeper. and laid upon his desk; from it he can see at a glance what the liabilities and assets of the bank are, and their character.

The nearer this statement book can be made to conform to the form used by the Comptroller of the Currency for the reports of condition, the better, as it will materially assist the Cashier in making these reports. Full description and diagrams of the books mentioned will be given in a later article upon the "books and records."

The Cashier, as can easily be understood, is a very busy man, with much upon his mind, and often matters that must be attended to promptly, such as the necessary advertising of the annual meeting according to law, and many other things, are apt to be overlooked. To assist his memory, a small diary kept upon his desk, in which is noted, as the matter comes up, those things which are to be attended to under their proper dates, will be found to be exceedingly useful, relieving his mind of much of the burden.

Another aid to the Cashier of an active bank will be found in an indexed list of the depositors, in which is noted their rating commercially, when they began depositing with the bank, and who introduced them, and their general standing with the bank, and character of their accounts. This may be kept briefly, but it will often answer questions of value to the Cashier. He can always gather more extended information by an examination of the depositor's account, if necessary.

As the President and Cashier are the working or managing heads of the bank, it is exceedingly necessary that they work harmoniously. Want of harmony at the head will surely be felt by the working force and seriously affect the success of the bank.

All this ground had to be carefully considered in the selection of the above-named officers by our new bank, and the board of directors desiring to do their duty, were naturally extremely careful.

After examining the credentials of many of the applicants for the cashiership, they finally selected a man from a distant town who had had ten years' practical experience and who stood very high in both character and ability. J. P.

BANK BOOKKEEPING.

In the matter of taking trial balances on individual ledgers, especially the three-column ledgers used by so many banks either alone or as auxiliary to the extension ledger system, I beg to submit a plan for the consideration of your readers, which for simplicity and results commends itself to me and has proven highly satisfactory to the banks using it.

It consists in requiring the bookkeeper to report to the Cashier in writing, on designated dates, the condition of any particular ledger kept by him in the following manner, viz.:

To the Cashier:

I have to report that the trial balance taken from Individual Ledger "E," inactive accounts L to M, at the close of business September 2, 1898, is correct. The number of credit balances is 970, amounting to $124,776.87. The number of accounts overdrawn is one—John Jones, two days old, $7.50. The total number of accounts is 971. I commenced this trial balance at 4.50 P.M. It proved correct at 9.25 P.M.

Respectfully submitted,

RICHARD ROE, *Individual Bookkeeper.*

The bank which I had the pleasure of examining which had used this method for several years has about 4,000 open accounts kept in four three-column ledgers, two for active accounts and two for inactive accounts. Three bookkeepers are employed, and the ledgers are alphabetically divided. Each week a statement of this kind is required from each of the active ledger keepers, and monthly on the two inactive ledgers. The trial balance is first made in ink in a trial-balance book, and the names of the parties overdrawn, whether one or more, and date of overdraft, are also given in the bookkeeper's report to the Cashier. The Cashier verifies this trial balance at his leisure, and certifies it is correct by initialing and filing the bookkeeper's letter or report.

The bookkeeper naturally takes pride in furnishing a good account of his work promptly to his superior officer, and when one or more bookkeepers are employed the incentive is even greater.

Where rotation of bookkeepers is possible, with the above system the bank certainly gets the best results obtainable—work well and promptly done and protection.

To those banks using extension ledgers exclusively this method does not apply.

It is my experience, however, that there are but few banks using the extension ledgers but what keep a three-column ledger for inactive accounts as an auxiliary, and too frequently is this ledger neglected.

Many interior banks use three-column ledgers entirely and so also do all Savings banks for savings and interest-bearing deposits. To such I recommend it as an improvement worthy of their consideration and trial.

In this connection I feel I can urge with propriety and with a knowledge that many banks are not what they should be, the necessity for the keeping of the records of a bank, from the minutes of a directors' meeting made by the Cashier down through every book kept by teller or bookkeeper, in ink, and in a permanent form that they may not be easily changed or destroyed.

I have reference more especially to the use of the lead pencil on bank records. I once examined a bank whose Assistant Cashier kept the general ledger and individual ledger, and with the teller handled cash. I found he made his postings in ink but his balances in lead pencil. Concealed in those lead pencil balances was an embezzlement of $24,000, being different sums taken at different times and the balances reduced accordingly. When discovered he closed his career by suicide.

While a bank with but two employees cannot subdivide its work so that only one man handles cash and one the books, yet much improvement can be made in this respect by banks having three or more employees. Eliminate temptation by keeping your tellers from the books and your bookkeepers from access to cash, and above all permit neither to keep any part of their records in lead pencil.

Again, many banks using extension ledgers carry as many or more accounts on an auxiliary three-column ledger on which a trial balance is difficult to obtain if at all. Here again is the temptation presented for concealing errors and covering up shortages, etc., temporarily at least.

The term, inactive account, should be restricted to just that and nothing more.

Dead accounts and balances that do not change from week to week are the only ones that should not have a place on an extension ledger.

With this restriction and frequent trial balances of the auxiliary ledger, giving names and amounts of deposits, a bank manager can by a comparison of balance sheets quickly discern the changes, judge of the ability of his bookkeeper, and with a little effort keep dead accounts closed out and reduced to the minimum.

Good banking and modern banks are those that insist on the balancing daily of not only the cash but of every important department and book used; and while large banks in the cities can the more easily subdivide their work and balance each department of it, separate from the rest, yet in the balancing of ledgers it is just as easily done in one bank as another and just as essential that it should be done in the small bank as the large one.

Progress in bank bookkeeping, safety, and the necessity for knowing the condition daily of active accounts produced and commends the extension ledgers for commercial banks.

Protection to employees, safety to the bank, and a desire to always know the correct amount of your liabilities, together with good business methods that bring you the confidence of your depositors and the public, require frequent trial balances on all ledgers and more attention to this department of banking by bank managers.

Every banker recognizes the value of good assets, yet how much more conducive to long life both to your employee, yourself, and your bank are good assets than good bookkeeping, and a correct daily statement of your bank's liabilities?

Do your present methods insure both? If they do, you are up to date and happy. If they do not may you be actuated by this and your own conscience to seek the remedy and apply it. GEORGE B. CALDWELL.

DETROIT, Mich., Oct. 29.

THE COURSE OF WAGES SINCE 1870.

Some interesting information in regard to the course of wages in the United States and certain parts of Europe is presented in a recent bulletin of the Department of Labor at Washington. A summary of this information is given below:

Average Daily Wages in Gold in Certain Cities of the United States, Great Britain, France and Belgium.

[The figures in this table are averages which represent in each year for the United States 255 wage quotations; for Great Britain, 27 quotations; for Paris, France, 21 quotations; and for Liege, Belgium, 11 quotations. As the averages for each country therefore represent a different number of occupations, they should not be compared with each other. Such comparison can more properly be made between individual occupations only. This table can best be used only to show the course of wages from year to year.]

YEAR.	*Great Britain.*	*Paris, France.*	*Liege, Belgium.*	*United States.*
1870	$1.30	$1.06	$0.59½	$2.20½
1871	1.30¼	1.06½	.60¼	2.39¼
1872	1.33	1.07½	.61	2.45
1873	1.35	1.08¼	.64	2.35½
1874	1.36¾	1.08½	.65¼	2.30¼
1875	1.38	1.11¼	.63½	2.24¼
1876	1.40½	1.12	.63	2.18
1877	1.41½	1.15¼	.62½	2.24½
1878	1.40¼	1.16¾	.60½	2.30¾
1879	1.37¼	1.16¾	.61¼	2.32
1880	1.37¼	1.21¼	.62¼	2.34
1881	1.37¾	1.22¼	.63¾	2.40¾
1882	1.39¼	1.24½	.65½	2.44¾
1883	1.40¼	1.24¾	.65	2.47
1884	1.40¼	1.24¾	.64¾	2.49
1885	1.39¾	1.24¾	.63¼	2.47¼
1886	1.39	1.25¾	.63	2.47¼
1887	1.39¼	1.25¾	.62¼	2.49¼
1888	1.40	1.25	.63¼	2.50¾
1889	1.40¾	1.26¾	.62¾	2.51½
1890	1.41¾	1.31¼	.63¼	2.52¾
1891	1.43¾	1.31½	.65	2.54½
1892	1.43¾	1.31½	.64	2.56
1893	1.44½	1.32	.64¼	2.54¼
1894	1.44¾	1.32½	.65½	2.49¼
1895	1.45	1.32½	.65¼	2.47¼
1896	1.49	1 33	.66¼	2.45¾
1897	....	....	....	2.44½
1898	....	....	....	2.43¼

So far as Great Britain is concerned it is seen that a gradual increase in wages occurred during the years from 1870 to 1877, the wages in the latter year having reached $1.41½ against $1.30 in the former. A slight falling off occurred in 1878, and a still greater drop in 1879 and 1880, $1.37¼ being the wages in these years. From this figure the wages increased to $1.40¼ in 1883, and this rate was maintained in 1884. The years 1885 and 1886 show a slight decrease, after which there is found a steady increase to 1896, when the wages reached $1.49. With the exception of the year 1888, during which there was a slight decline from the wages of the previous year, the wages for France show a gradual increase from $1.06 in 1870 to $1.33 in 1896. The wages in Belgium increased from $0.59½ in 1870 to $0.65¼ in 1874. In 1875, 1876, 1877, and 1878 they fell slightly, reaching $0.60½ in 1878. After this there was a gradual rise, which continued through 1879, 1880, 1881 and 1882. Five years of decreasing wages followed, $0.62¼ being reached in 1887. Several years of rising and falling wages ensued, the figure rising finally to $0.66¼ in 1896.

In the United States there was a rise from \$2.20½, the wages of 1870, to \$2.39½ in 1871 and to \$2.45 in 1872. During the four succeeding years a gradual decline occurred, reaching its lowest point in 1876 in a wage of \$2.18. The next year shows, however, a rise to \$2.24½, and 1878 a further rise to \$2.30¾, and a gradual rise continued up to 1884, when the figure was \$2.49. A slight decline occurred in 1885, and continued through 1886, but in 1887 the wages of 1884 had been more than regained, and from this year up to 1892 there was a steady rise, the highest point for the period, \$2.56, being reached in 1892. From this time to 1898 there has been a slight but steady decline, the wages for 1898 being \$2.43¼, or \$0.12¾ below the high mark of 1892, but 22¾ cents above the wages for 1870.

In order that the rise and fall in wages from year to year may be more readily measured, the increase or decrease of average actual wages given in the preceding table has been expressed in percentages, 1870 being taken as the basis, and the percentage of increase or decrease for each year thereafter (from 1871 to 1898) shown in the following table:

Percentage of Increase of Average Wages in Each Year from 1871 to 1898, as Compared with Average Wages in 1870, in Gold, for Certain Cities of the United States, Great Britain, France and Belgium.

Year.	Great Britain.	Paris, France.	Liege, Belgium.	United States.
1870	....	....	....	....
1871	0.2	0.5	1.3	8.5
1872	2.3	1.4	2.5	11.1
1873	3.8	2.1	7.6	6.8
1874	5.2	2.4	9.7	4.4
1875	6.2	5.0	6.7	1.7
1876	8.1	5.7	5.9	*1.1
1877	8.8	8.7	5.0	1.8
1878	7.9	10.1	1.7	4.6
1879	5.6	10.1	2.9	5.2
1880	5.6	14.4	4.6	6.1
1881	6.0	15.3	7.1	9.2
1882	7.1	17.5	10.1	11.0
1883	7.9	17.7	9.2	12.0
1884	7.9	17.7	8.8	12.9
1885	7.5	17.7	6.3	12.1
1886	6.9	18.6	5.9	12.1
1887	7.1	18.6	4.6	12.0
1888	7.7	17.9	6.3	13.7
1889	8.3	19.6	5.5	14.1
1890	9.0	23.8	6.3	14.6
1891	10.6	24.1	9.2	15.4
1892	10.6	24.1	7.6	16.1
1893	11.2	24.5	8.0	15.8
1894	11.3	25.0	10.1	13.0
1895	11.5	25.0	9.7	12.1
1896	14.6	25.5	11.3	11.5
1897	....	....	....	10.9
1898	....	....	....	10.8

* Decrease.

The report further says thas the article does not in any way deal with prices. Prices from a period, in most cases, earlier than 1870 up to October, 1892, are shown, by years, in the report made in 1893 by the Senate Finance Committee (Wholesale Prices, Wages, and Transportation). Probably since 1892 the tendency has been slightly downward. It is not therefore necessary to discuss prices in connection with the wage rates given. If prices on the whole are stationary and wages have increased, every such increase means greater purchasing power of a day's work. If at the same time there is a decrease in prices, the increase in the purchasing power of a day's work is so much the greater.

These statements should be considered when the tables presented are being studied.

CANADIAN BANKING AND COMMERCE.

QUARTERLY REVIEW OF THE BANK RETURNS.

According to the figures given in the Canadian bank returns, this promises to be a record year. The third quarter now under review holds a good place compared with the two former ones. Throughout the summer the important items have been well supported and those representing active trade have kept largely above the usual summer figures. In the past the month of July was expected to be quiet, business being partly suspended owing to many going for their vacation. August is supposed to be a slight improvement on July, as in parts of the Dominion certain commodities are ready and placed upon the market sufficient to increase money in circulation above the former month.

The banks have continued throughout to show fairly good profits. A comparison of the figures for June and July does not show much change. Bank notes in circulation increased $14,443; over July of 1897, $3,844,071. The increase in this item in 1897 was, July over June, $343,301, and over July, 1896, $3,134,095; but it may be noticed that the increase of July of the present year is upon a total of $32,-709,475 in 1897, while in that year the increase was upon a total of $29,575,380.

Deposits also have shown increasing tendencies. Deposits payable on demand for the month of July fell off $427,851, but over the same month, 1897, show an increase of $9,276,822; deposits payable after notice increased $2,420,162 for the month and $14,671,147 over July, 1897. Total liabilities increased during the year $26,569,828. Specie and Dominion notes increased $991,574 during July and only $266,785 for the year. Amounts due from banks and agencies in foreign countries show a reduction for the month of $1,952,291, and for the year $3,417,927. Amounts due from banks and branches in Great Britain show an increase for the month of $2,283,490, but a reduction from 1897 of $1,398,262. Canadian, municipal and other securities show a slight monthly increase with an increase for the year of $4,166,384. Railway securities increased in July $1,077,795 and over July, 1897, $4,371,456. Loans on stock and bonds on call show great activity during the summer, the monthly increase being $1,818,622 over June and $6,170,383 over July, 1897. Current loans to the public decreased $2,220,446 for the month but increased $15,612,248 over July 1897. Total assets show a monthly increase of $1,314,790 and of $28,703,904 for the year.

The important features of the August figures are somewhat on the lines of its predecessor—increases under nearly every heading are noticeable. A few of the important ones may be interesting.

The amount of bank notes in circulation, which is certainly the trade barometer, increased over July $745,950 and over August, 1897, $3,845,110. Deposits payable on demand accumulated during the month, $2,419,568, and over August, 1897, $9,356,-742. Deposits payable after notice show an increase for the month of $2,803,397 and an increase during the year of $14,904,163. Total liabilities increased $6,662,854 during the month, and over $26,000,000 for the year. The amount due from banks and agencies in foreign countries increased during August $6,226,155, but decreased during the year $2,359,973. Amounts due from banks and branches in Great Britain show an increase of $969,568 for the month but a decrease of $766,493 for the year.

The monthly increases and decreases in permanent securities for the month are slight, but the yearly increases are as follows: Canadian municipal and other debentures, $3,660,772; railway securities, $4,100,895; and call loans, $4,869,068.

STATISTICAL ABSTRACT OF CANADIAN CHARTERED BANKS—COMPARISON OF THE IMPORTANT ITEMS.

ASSETS.	*Sept. 30, 1898.*	*Aug. 31, 1898.*	*Sept. 30, 1897.*	*Increase and decrease for month.*	*Increase and decrease for year.*
Specie and Dominion notes	$27,485,509	$27,235,950	$26,336,877	Inc., $249,559	Inc., $1,148,632
Notes of and checks on other banks	10,959,823	9,055,625	9,093,759	Inc., 1,904,198	Inc., 1,866,064
Due from banks and agencies in foreign countries	22,169,025	25,553,817	27,939,204	Dec., 3,384,792	Dec., 5,770,179
Due from banks and agencies in United Kingdom	12,272,730	11,483,170	12,362,134	Inc., 789,560	Dec., 89,404
Canadian municipal securities and British provincial or foreign or colonial, other than Dominion	17,454,767	16,981,362	13,710,367	Inc., 473,405	Inc., 3,744,400
Railway securities	17,227,286	18,136,123	14,091,974	Dec., 908,837	Inc., 3,135,312
Loans on stocks and bonds on call	23,745,140	21,475,172	17,314,047	Inc., 2,269,968	Inc., 6,431,093
Current loans to the public	222,361,523	218,077,369	206,779,863	Inc., 4,284,154	Inc., 15,581,660
Overdue debts	3,406,913	3,127,450	3,622,730	Inc., 279,463	Dec., 215,817
Total assets	$382,001,817	$374,685,325	$352,274,880	Inc., $7,316,492	Inc., $29,726,937
CAPITAL.					
Capital stock paid up	$62,900,034	$62,407,759	$62,279,925	Inc., $492,275	Inc., $620,109
Reserve fund	27,555,666	27,555,666	27,223,999	....	Inc., 331,667
LIABILITIES.					
Bank notes in circulation	$40,071,143	$37,299,496	$38,616,211	Inc., $2,771,647	Inc., $1,454,932
Balance due to Dominion Government	3,606,106	2,956,944	3,242,061	Inc., 649,162	Inc., 364,045
Balance due to Provincial governments	2,450,855	2,791,469	3,474,255	Dec., 341,114	Dec., 1,023,900
Deposits of the public payable on demand	87,214,909	84,306,117	76,136,117	Inc., 2,908,792	Inc., 11,078,792
Deposits of the public payable after notice	151,358,795	149,972,984	135,682,927	Inc., 1,385,811	Inc., 15,675,868
Deposits payable on demand or after notice between banks	3,555,058	3,418,628	3,304,066	Inc., 136,430	Inc., 250,992
Due to banks and agencies in foreign countries	509,277	502,360	279,397	Inc., 6,917	Inc., 229,880
Due to banks and agencies in the United Kingdom	3,346,813	3,557,089	3,031,777	Dec., 210,276	Inc., 315,036
Total liabilities	$291,875,808	$284,162,488	$263,446,774	Inc., $7,713,320	Inc., $28,429,029
MISCELLANEOUS.					
Directors' liabilities	$7,372,172	$7,255,148	$6,897,049	Inc., $117,024	Inc., $620,109
Greatest amount of bank notes in circulation at any time during month.	40,796,008	38,138,731	39,077,497	Inc., 2,657,272	Inc., 331,667

Current loans to the public show a decrease during the month of August but an increase over August, 1897, of $15,620,182. Total assets increased for the month $7,736,483, and for the year $28,879,971.

The September figures are fully as gratifying as those previously given. Bank note circulation is still increasing and, as shown in the abstract, stands at over $40,000,000, an increase for September of $2,771,647 and $1,454,932 more than for the same month a year ago. Deposits payable on demand increased $2,908,792 during the month and $11,078,792 during the year. Those payable after notice increased $1,385,811 during the month and $15,675,868 during the year. A noticeable reduction has taken place in amounts due from banks and branches in foreign countries. For the month the decrease is $3,384,792 and the amount is $5,770,179 less than a year ago. The additional investment in permanent stocks is noticeable, Canadian municipal and other debentures increased $3,744,400; railway securities, $3,135,312; call loans, $6,431,098. Current loans to the public during September increased $4,284,154, and during the year $15,581,660. The banking figures give no indication of the falling off reported in the trade returns a short time ago. The total increase in assets for September was $7,316,492, and for the year $29,726,937.

Following is the total increase and decrease during the quarter under review:

INCREASE AND DECREASE FOR QUARTER ENDING SEPTEMBER 30, 1898.

ASSETS.	*Sept. 30, 1898.*	*June 30, 1898.*	*Increase and decrease for quarter.*
Specie and Dominion notes	$27,485,509	$24,497,533	Inc., $2,987,976
Notes of and checks on other banks	10,959,823	9,663,728	Inc., 1,296,095
Due from banks and agencies in foreign countries	22,169,025	21,279,953	Inc., 889,072
Due from banks and agencies in United Kingdom	12,272,730	8,230,112	Inc., 4,042,618
Canadian municipal securities and British provincial or foreign other than Dominion	17,454,767	16,911,904	Inc., 542,863
Railway securities	17,227,286	17,352,384	Dec., 125,098
Loans on stocks and bonds on call	23,745,140	20,066,715	Inc., 3,678,425
Current loans to the public	222,361,523	222,413,538	Dec., 52,015
Overdue debts	3,406,918	2,855,867	Inc., 551,046
Total assets	$382,001,817	$365,634,050	Inc. $16,367,767
LIABILITIES.			
Bank notes in circulation	$40,071,143	$36,539,103	Inc., $3,532,040
Balance due to Dominion Government	3,606,106	4,644,725	Dec., 1,038,619
Balance due to provincial Governments	2,450,355	2,227,855	Inc., 223,000
Deposits of the public payable on demand	87,214,909	82,313,900	Inc., 4,901,009
Deposits of the public payable after notice	151,358,795	144,749,443	Inc., 6,609,352
Deposits payable after notice or on demand between banks	3,555,058	2,553,424	Inc., 1,001,634
Due to banks and agencies in foreign countries	509,277	492,502	Inc., 16,775
Due to banks and agencies in United Kingdom	2,346,813	3,225,326	Dec., 878,513
Total liabilities	$291,875,803	$277,407,521	Inc., $14,468,282

Below are given the figures under three important headings, on September 30, 1882, 1892, and years following. The table shows how nearly the public provides by deposits the money let out in current loans.

YEAR.	*Notes in circulation.*	PUBLIC DEPOSITS.		*Current loans.*
		On demand.	*After notice.*	
1882	$33,953,387	$48,597,343	$49,381,851	$143,890,314
1892	34,927,615	65,753,885	98,831,098	188,167,135
1893	35,128,926	61,245,992	104,004,598	204,654,430
1894	33,355,156	66,584,661	111,084,068	199,773,925
1895	32,774,442	67,774,818	116,634,486	197,729,334
1896	32,652,176	65,827,150	123,436,216	209,959,682
1897	38,616,211	76,136,117	135,682,927	206,779,363
898	40,071,143	87,214,909	151,358,795	222,361,523

BANKING LAW DEPARTMENT

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court 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.

KNOWLEDGE OF PRESIDENT—WHEN IMPUTED TO BANK.

Supreme Court of Georgia, July 23, 1898.

HAGER *vs.* NATIONAL GERMAN-AMERICAN BANK.

Knowledge by one of the officers of a bank who participated in the acceptance for the bank of a negotiable note before due, of a fact which would put a prudent person upon inquiry as to the power of the maker to execute the paper, is sufficient to charge the bank with notice of a disability, if such existed.

This was an action against Robert and Belle Hager upon a promissory note made by them. Robert Hager made no defense but Belle Hager pleaded that when the note was executed she was a married woman, residing with her husband, the defendant Robert Hager, in the State of Tennessee, and the note was made in that State, and was not made for her benefit in any way, nor connected with any dealings as to her separate property. She then had no separate estate, has had none since, and is now a resident of the State of Georgia. Under the laws of Tennessee, she had no capacity to make and bind herself by such a note, because of her then married condition and the facts above set forth, of all of which the plaintiff had notice before acquiring the note.

At the trial the plaintiff offered in evidence the note sued on, and closed. The defendant Belle Hager then introduced evidence which she claimed tended to establish the truth of her pleas. The court directed the jury to return a verdict in favor of the plaintiff for the amount sued for. To this ruling the defendant Belle Hager excepted.

COBB, *J.* (omitting part of the opinion): It was contended by the defendant that there was evidence sufficient to require the judge to submit to the jury the question as to whether the bank had notice that Belle Hager was a married woman at the time she signed the note and the bank received it, and was therefore incapacitated to make the contract contained in the note.

It was shown that F. D. Hager, a brother of Robert Hager, was a customer of the bank, and that notes amounting in the aggregate to a large sum had been discounted for him prior to the transaction now in question. Some of these notes matured on June 23, 1888, and the bank had insisted that he pay the same at maturity, and he had requested that he be permitted to renew the same. He had offered to transfer and indorse to the bank, as collateral security for his indebtedness then existing, the note which is sued on in this case, as well as certain other paper. The "officers of the bank" accepted his proposition, permitted him to renew the notes, and extended the time of payment, and he indorsed and delivered the note now sued on to the bank. F. D. Hager who was examined by interrogatories, was asked this question.

"What notice had Lockey (the Cashier of the bank) of Mrs. Belle Hager's being a married woman?" The answer was: "I expect he got his information through me possibly. He knew in a general way, no doubt."

This answer was ruled out. We do not see any error in this ruling. The statement made by the witness is nothing more than a conjecture on his part as to the possible knowledge of the Cashier in regard to the matter which was under investigation. There was no other evidence offered to charge the Cashier with notice that the defendant was a married woman, but there was evidence that the President of the bank knew the fact.

While it may be, as a general rule, that the discounting of bills and notes is not within the scope and duty of the President of a bank, and therefore notice to him would not generally be notice to the bank in relation to such transactions, still where it appears, as it did in this case, that the "officers of the bank" consulted and acted upon the question as to whether a note should be accepted by the bank as collateral for an existing debt, notice to any of the officers who participated in the conference would be notice to the bank; and, in the absence of proof as to what officers were in such consultation, it might be inferred that the President and directors were those referred to.

There being evidence that the President of the bank knew that Belle Hager was a married woman, and evidence that the "officers of the bank" consulted and acted on the question of the acceptance of the note by the bank, the jury should have been allowed to say whether this evidence was sufficient to show that the President took part in the consultation. If the jury were to find that the President was among the "officers of the bank" who consulted about the acceptance of the note, and that he knew that Belle Hager was a married woman, this would charge the bank with notice of her disability to make the contract, and she would be let in to set up such disability as a defense to the note.

WHEN CHECK AN ASSIGNMENT OF DEPOSIT—ACTION AGAINST BANK—GENERAL ASSIGNMENT BY DEPOSITOR.

Supreme Court of Oklahoma, February 18, 1898.

GUTHRIE NATIONAL BANK *vs.* GILL.

1. A draft drawn in the ordinary form does not constitute an equitable assignment *pro tanto* of funds in the hands of the drawee to the credit of the drawer before such draft has been accepted or presented for payment.
2. There is an implied promise on the part of a bank, when receiving deposits, to pay them out, on the checks of the depositor, to any person in whose favor he may draw the same; and the check holder is subrogated to the rights of the depositor in so much of the deposits as the check may call for, remaining in the bank to the credit of the depositor at the time when such draft is presented for payment.
3. Where a depositor makes a draft on a bank in which he has funds to his credit, and afterwards makes a general assignment for the benefit of his creditors, and the holder of such draft presents the same to the drawee for payment after such assignment is made, and payment is refused, he cannot maintain an action against the drawee, and recover on said draft, although at the time the draft was presented for payment the drawee did not know of the assignment, but learned of such assignment before making payment, and by reason of such knowledge refused payment.

(Syllabus by the Court.)

TARSNEY, *J.:* On February 20, 1897, the Bank of Mulhall, by its Cashier, made its draft, payable to the order of J. R. Keaton, for the sum of $156.05, directed to the plaintiff in error. On March 2, 1897, Keaton indorsed the draft to the order of the defendant in error. At the close of business on March 11, 1897, plaintiff in error held on deposit to the credit of the Bank of Mulhall the sum of $364.69. At 1 o'clock on the morning of March 12, 1897, the Bank of Mulhall made a general assignment of all its property, credits, and effects to George E. Billingsley for the benefit of its creditors. Billingsley accepted the trust about 7 o'clock A. M. of that day, and at that hour took possession of the place of business of the Bank of Mulhall, and all the effects contained therein, and at 8:40 A. M. of the same day filed the deed of assignment for record in the office of the register of deeds for Logan county, and afterwards in due time, and as required by law, filed an inventory of the assets and liabilities of said bank. About 8 o'clock A. M. of said 12th day of March, 1897, plaintiff in error received through the mail a letter from the First National Bank of Oklahoma City inclosing for collection the draft in controversy. The Oklahoma City Bank was a correspondent of plaintiff in error's bank, and at the time had an account therein. Between 8:45 and 9 o'clock of the morning of the said 12th day of March the paying teller of said plaintiff in error bank stamped said draft with a stamp of said bank, marking it "Paid," and placed the draft and the letter accompanying the same in a file used for that purpose, to await future action, viz. the making of the proper entries upon the books of said bank, crediting the account of the Oklahoma City Bank with the amount of said draft, and charging the account of the plaintiff in error bank with the Oklahoma City Bank with the amount thereof. Such entries were never made, for the reason that, immediately after said draft was so stamped, plaintiff in error received a telegram from said assignee notifying it that he had been made assignee of the Bank of Mulhall, and not to pay any drafts or orders drawn by said bank. Upon the receipt of this telegram the President of the plaintiff in error bank immediately directed said paying teller to erase the stamp that had been placed upon said draft, and to refuse the payment thereof. Such erasure was made, and the draft placed in the hands of a notary for protest, and the same was protested for non-payment. The paying teller testifies that, if payment had not been stopped, in the course of business that would have been pursued to have completed the payment, at 3 or 4 o'clock of the afternoon of that day entries would have been made on the journal of the bank charging the amount of the draft to the Bank of Mulhall, crediting the amount thereof to the balance due the Oklahoma City Bank, and such entries would have to be carried into other books, viz. a ledger and the bank's general balance ledger, and that, when such entries would have been made, notice would have been sent to the Oklahoma City Bank; that none of these entries were made upon the books, and no notice was given.

The defendant in error contends that the giving of a check or the issuance of a draft is an equitable assignment of enough of the funds in the hands of the drawee at the time the check is given or the draft issued to satisfy such check or draft, but concedes that upon this point the authorities are in conflict, and further concedes that this court might feel obliged to follow the rule of the Supreme Court of the United States upon the question, and that upon this point the recent case of *Bank* vs. *Yardley* (165 U. S. 634), and the previous decisions of said court thereon (*Bank* vs. *Millard*, 10 Wall. 152; *Bank* vs. *Whitman*, 94 U. S. 343) are in conflict with defendant in error's contention.

In these cases it is held that, as between the holder and the bank upon which such check or draft is drawn, it is settled that, unless the check or draft be accepted by the bank, an action cannot be maintained by the holder against the bank. On the other hand, it is held by a very respectable line of authorities that a check drawn upon an existing fund in a bank is an absolute transfer or appropriation to the holder of the amount of said funds designated in the check then in the hands of the drawee; that a bank receives deposits on the expressed or implied promise to pay them out upon the checks of the depositors, and that the depositor may draw his check for a small or large amount, payable to his creditors or those to whom he desires to pay money, and the bank, by receiving the deposit, impliedly promises to pay such checks, by whomsoever presented; and that the holder of such check may sue the bank refusing payment, though there be no acceptance.

It is not necessary to a decision in this case that we should determine whether this court is absolutely required to follow a rule of decision of the Supreme Court of the United States in matters other than those involving Federal questions, or, should we hold the negative of that proposition, to examine and determine between the conflicting authorities presented; for, as we understand those authorities, the question in conflict does not arise upon the facts of this case.

As we interpret the authorities that are in conflict with the rule of the Supreme Court of the United States concerning the necessity for an acceptance by the drawee to authorize an action against him by the holder, they do not go to the extent of holding that the mere making and delivery of the draft to the payee gives a right of action against the drawee by the holder, but that to create such right of action such draft must be presented for payment, and that there must be funds in the hands of the drawee at the time to the credit of the drawer.

In this case no question arises as to time when the draft was presented, nor is there any contest between the defendant in error and other check holders. The contest is between the holder and the drawee, and the question is, had the bank sufficient funds of the drawer when the draft was presented? If it had, it should have paid the draft, failing in which the action was properly brought. On the contrary, if it had no funds, or not sufficient funds, of the drawer, when the draft was presented, to pay the same, it cannot be held liable in this action.

The real question therefore is, were there funds in the hands of the plaintiff in error belonging to the Bank of Mulhall which plaintiff in error was authorized and obligated to appropriate to the payment of this draft at the time it was presented for payment?

As we view this case, there is no question of acceptance or payment n it. Plaintiff in error cannot be held as an acceptor, there being no evidence in the record to establish any such relation.

Whatever might be the effect of the action of the paying teller in stamping the draft as tending to establish an actual payment, it had no tendency to establish an acceptance. Acceptance and payment are essentially and inherently different. The one is an agreement or promise to do something. The other is the actual doing of that which had been previously promised. There can be no doubt that the act of the paying teller was an act done in contemplation of payment, but there was no completed payment. The payment would not be complete until the accounts of the several parties interested had been adjusted on the books of the plaintiff in error, and notice sent to the party credited by such payment. Until the transaction was thus completed, it was inchoate, and plaintiff in error might, for lawful cause, suspend or refuse to complete such payment. The word "Paid" stamped upon the draft does not indicate a promise. It implies none of the elements of an agreement, and, if it did, it would yet be incomplete to make an acceptance. An acceptance is not complete until the instrument has been returned to the holder. So long as the bill remains in the hands of the drawee, although he may have written an acceptance upon it, the acceptance is not fully binding; and he may, at least while he has not communicated the fact of his acceptance to the holder, obliterate his acceptance, and redeliver the bill, without incurring any liability as acceptor. (4 Am. & Eng. Enc. Law [2d Ed.] 212.)

We do not deny the doctrine that the drawee of a bill of exchange, although not expressly accepting it, may so deal with it that the law will infer an acceptance on his part, but the general rule relative to such an acceptance is that only such language or conduct on the part of the drawee as justifies the holder in believing that the drawee consents to pay the bill will operate to bind such person as an acceptor. (4 Am. & Eng. Enc. Law [2d Ed.] 219, and cases cited.)

But this doctrine of implied or constructive acceptance cannot apply in this case, because the holder could not have been justified in concluding that the drawee intended to bind itself by its act of stamping the draft, for the reason that the holder had no knowledge of such act until the draft was returned protested.

The only theory, in our view, upon which, under either line of such conflicting authorities, defendant in error's right to recover can be urged, is independent of any action of the paying teller of the bank, viz., that when the draft reached the bank for collection there was a fund in the bank, belonging to the drawer, with which to pay the draft; that the making of the draft operated, upon its presentation for payment, as an equitable assignment of so much of the funds of the maker then in the hands of the drawee as would pay such draft.

But the facts of this case do not support this theory, as at the time the draft was presented there were no funds in the bank to the credit of the maker of the draft; such funds and credit having been previously assigned in trust for the benefit of the creditors of the maker of the draft.

We do not think it material that plaintiff in error did not know of the assignment when the draft reached the bank for collection. Such knowledge might be material if the draft had been paid, and this were an action by the assignee to recover the fund, but as between the holder of the draft and the bank it is not material.

The defendant in error cannot recover upon the equities which plaintiff in error might have in an action against it by the assignee had the draft been paid, but must recover, if at all, upon the theory that the funds upon which it was drawn remained the property and funds of the drawer until the draft was presented for payment, and this involves the theory that the assignment did not operate to devest the assignor of ownership and control of the funds on which the draft was drawn until the drawee had knowledge of such assignment.

This theory cannot be sustained. The assignment, when it was executed, and the trust accepted by the assignee, operated *eo instanti* to devest the assignor of ownership and control of the property assigned, and vest such ownership and control in the assignee for the benefit of creditors generally; and thereafter the holder of a draft unpresented for payment is not entitled to payment in full out of any fund upon which it was drawn, but must prorate with the other creditors.

We are of the opinion that the court below erred in sustaining the demurrer to the second paragraph of the answer of the defendant, and in overruling the motion for a new trial; and the judgment herein is reversed, and the cause dismissed.

All the judges concur, except Keaton, *J.*, not sitting.

NATIONAL BANK AS TRUSTEE—CONVEYANCE OF REAL ESTATE TO.

Supreme Court of Missouri, June 14, 1898.

HALL, *et al.* *vs.* FARMERS AND MERCHANTS' BANK, *et al.*

While a conveyance of real estate to a National bank as trustee for third persons is *ultra vires*, the transaction cannot be attacked except by the United States.

This was an action to set aside a conveyance of real estate made by one Kerfoot to the First National Bank of Trenton, Mo., as trustee for some of Kerfoot's children.

Burgess, *J.* (omitting part of the opinion): It is contended by plaintiff Robert E. Kerfoot that the deed from James H. Kerfoot to the First National Bank conveyed no interest in the lot involved in this litigation and described in said deed, for the reason that the bank had no authority to accept it.

Upon the other hand, it is insisted by defendants that it is well settled that National banks have power to deal in real estate for certain purposes, and that, if a bank accepts a deed to land, even under circumstances such as would make the act clearly *ultra vires*, or in violation of its charter, and although the Government could object, still the deed would be good between the parties.

By section 5137, Rev. St. U. S. p. 998, it is provided that: "A National banking association may purchase, hold, and convey real estate for the following purposes, and for no others: First. Such as shall be necessary for its immediate accommodation in the transaction of its business. Second. Such as shall be mortgaged to it in good faith by way of security for debts previously contracted. Third. Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its dealings. Fourth. Such as it shall purchase at sales under judgments, decrees, or mortgages held by the association, or shall purchase to secure debts due to it."

National banks have no power to acquire and hold title to real estate except for the purposes expressed in, or necessarily implied from, their charters; and the power to acquire and hold title to real estate in trust merely is not among the expressed powers, nor is it implied from the language used. But having express power to accept title to real estate for certain purposes named in its charter does not imply that a deed to real estate for a moneyed consideration therein expressed, even though no consideration passed, is absolutely void. "If a corporation take land by grant, which by its charter it cannot hold, its title is good against third persons and strangers. The State only can interfere." (1 Perry. Trusts [4th Ed.] § 45.)

In *National Bank* vs. *Matthews*, 98 U. S. 621, it is said: "Where a corporation is incompetent by its charter to take a title to real estate, a conveyance to it is not void, but only voidable, and the sovereign alone can object. It is valid until assailed in a direct proceeding instituted for that purpose." The same rule is announced in *Leazure* vs. *Hillegas* (7 Serg. & R. 318); *Goundie* vs. *Water Co.* (7 Pa. St. 233); *Runyon* vs. *Coster* (14 Pet. 122); *Banks* vs. *Poitiaux* (3 Rand. [Va.] 136); *McIndoe* vs. *City of St. Louis* (10 Mo. 577) and *Gold Min. Co.* vs. *National Bank* (96 U. S. 640).

If, then, the deed to the bank was accepted by it, it follows that the title to the lot passed to and vested in it, and that the plaintiff Kerfoot cannot question it.

TAXATION OF SAVINGS BANKS—SURPLUS FUND.

New York Court of Appeals, October 18, 1898.

PEOPLE, *ex rel.* THE NEWBURGH SAVINGS BANK, *vs.* GEORGE W. PECK, ASSESSOR, ETC.

Under the statutes of New York the surplus fund held by a Savings bank in the State is not liable to taxation.

The relator is a Savings bank, incorporated under Chapter 252 of the Laws of 1852, and, by virtue of the provisions of the "Banking Law" (Chapter 689 of the Laws of 1892, Section 132), is entitled to all the privileges and is subject to the liabilities created by the latter Act. The assessor of the city of Newburgh, in this State, assessed it as the owner of personal property to the value of $1,176,849.01; which amount was, subsequently, reduced to the sum of $414,849.01. The assessment was based upon the report made by the relator to the Superintendent of Banks of its condition on January 1, 1897; which showed, after deducting from the total resources of the relator the total sum credited to depositors with interest, an apparent surplus of the amount first assessed. The reduction of the first assessment by the board of review of the city was effected by allowing a deduction from the apparent surplus of the market value of the United States bonds held by the relator and of the value of its real estate. A writ of *certiorari* to review such assessment was granted to the relator and upon the hearing, on the return of the writ, the assessment was ordered to be vacated and stricken from the assessment roll, as being illegal.

Upon appeal to the appellate division of the second judicial department, the order of the special term was affirmed and from the order of affirmance a further appeal was taken to this court.

GRAY, *J.:* The important question which this appeal brings up for our consideration and which, if decided in accordance with the view taken in the court below, will dispose of the whole case, is whether the surplus fund held by a Savings bank in this State is liable to taxation or not. The opinion of Mr. Justice Hirschberg, at special term, upon which the justices of the appellate division have, in the main, rested their affirmance of this order, very fully and satisfactorily covers the ground of discussion; but, because of the importance of the case, I think that our reasons for affirming the order should be stated. It is quite apparent that the question is of very considerable importance; inasmuch as the aggregate of the amounts of surplus funds held by the Savings banks of this State is upwards of one hundred millions of dollars and their exemption from taxation, necessarily affects materially the body of taxpayers. Its decision turns upon the construction to be given to the provisions of the statute under which exemption from liability is claimed. That construction is not to be influenced by considerations other than those which may tend to elucidate the purpose of the law and which bear upon its just interpretation. All property, by the "Tax Law" of this State, is made liable to taxation; except so far as it is expressly exempted by law. That is the general rule and, in order that any property shall be taken out of its operation, the legislative enactment depended upon for exemption must be in unmistakable terms. No person or property is impliedly exempt from taxation, and it is the rule that where exemption is claimed the statute is to be strictly construed against the claimant.

With the rule in view, which is applicable to the construction of the statute in question, let us consider the provision for exemption. It was, originally, contained in Section 4 of Chapter 456 of the Laws of 1857, and is now embodied in subdivision 14 of Section 4 of Chapter 908 of the Laws of 1896, which is known as the "Tax Law." The exemption clause reads as follows: "The deposits in any bank for savings which are due depositors, the accumulations in any domestic life insurance corporation, held for the exclusive benefit of the insured, other than real estate and stocks, now liable for taxation; and the accumulations of any incorporated co-operative loan association upon the shares of such association held by any person." Does this language warrant the view that the Legislature, by the language, "the deposits in any bank for savings which are due depositors," intended the exemption to apply to only such amounts as were credited on the books of the bank to depositors and which were immediately demandable by them? Did it intend, thereby, that the surplus fund held by the bank should be the subject of local taxation? Referring to those provisions of the Banking Law which govern Savings banks, we will ascertain what is the status under the law of a Savings bank and what are its obligations to its depositors. Section 105 of the Banking Law (Chapter 689 of the Laws of 1892), authorizes the corporation to receive deposits of money, to invest the same and to declare dividends thereon and to prosecute the business of a Savings bank only as provided in the statute.

By Section 118 it is provided that the sums deposited, together with the dividends or interest credited thereto, shall be repaid to the depositors, after demand, under regulations to be prescribed by the board of trustees. Section 123 provides that the trustees shall regulate the rate of interest or dividends, not to exceed five per centum upon the deposits, "in such manner that depositors shall receive as nearly as may be all the profits of such corporation after deducting necessary expenses and reserving such amounts as the trustees may deem expedient as a surplus fund for the security of the depositors, which to the amount of fifteen per cent. of its deposits the trustees of any such corporation may gradually accumulate and hold to meet any contingency or loss in its business from the depreciation of its securities or otherwise."

It is further therein provided that "the trustees of any such corporation whose surplus amounts to fifteen per cent. of its deposits, at least once in three years, shall divide equitably the accumulation beyond such authorized surplus as an extra dividend to depositors, in excess of the regular dividends authorized." Further, by other provisions, in the event of the dissolution of the corporation (Secs. 133, 134, 135), the moneys not paid to depositors must be paid to the Superintendent of Banks, to be by him distributed under direction of the supreme court. These provisions seem to make it clear that every interest in the properties held by a Savings bank is vested in the depositors and that the bank can acquire no interest therein. I think that Section 123 can only be regarded as declaratory of the ownership of all the funds of the depositors. They are to receive all the profits; except that expenses are to be deducted and that there may be accumulated a surplus for their security. Such a corporation has neither capital nor shareholders, and its only resources are the moneys of depositors and the income which may be received from investments. The bank, necessarily from the statutory provisions, must be deemed to hold what property it has for the benefit of depositors only. It manages the same through its trustees and officers, and under no circumstances and in no event does it or do its trustees acquire any interest therein.

The assessment in this case necessarily proceeded upon the theory that the surplus fund belonged to the bank itself and that what was due to its depositors was only the aggregate of the sums credited to them on their pass-books. That is the position of the appellants and they endeavor to support it by the argument that, as the depositors' accounts can be closed at any time and as they can only demand that which stands to their credit on the books, it must therefore follow that as to the surplus fund the bank is not their debtor. This argument depends upon a narrow reading of the exemption clause and fails to take into consideration the legal status of the Savings bank and of its depositors. The bank neither earns nor holds anything for itself or for its trustees; but holds everything for the depositors. The fact that the surplus represents accumulations, and may not be immediately paid out, cannot affect the question of the ownership of the property. The word "deposits," used in the statute of exemption, means by a just interpretation the total amount received for which the bank is accountable and not merely the identical moneys received from particular depositors. The surplus which has accumulated is a part of a fund which represents the original deposits and its creation is authorized in contemplation that it may be needed to be used to repay the depositors the amounts put in by them. (*Lewis* vs. *Lynn Institution for Savings*, 148 Mass. 235; *Suffolk Savings Bank* vs. *Seaman*, 149 Ib. 1; *Huntington* vs. *Savings Bank*, 96 U. S. 388.) These cases, to which the learned counsel for the respondent refers us, clearly sustain these propositions. It is difficult to see upon what theory the appellant's contention could be sustained that only the actual deposits, which are returnable to depositors upon demand, are exempt from taxation. The surplus does not belong to the bank; for it holds it for the security of depositors to whom it is due contingently upon the occurrence of circumstances requiring its payment to them. If it is an asset it is at the same time to be treated as a liability of the bank. The clause in question evidently regards "deposits" in Savings banks in the same light as it does the accumulation of life insurance companies or of loan associations, and no greater reason exists for taxing the reserves of savings institutions than those of the other institutions mentioned.

We are in nowise embarrassed by our previous decisions in the cases of the New London Saving Bank and the Groton Savings Bank (135 N. Y. 231; 154 Ib. 122). In the New London Savings Bank case, where the assessment was made upon shares of the capital stock of banks in New York city standing in the name of the bank, a Connecticut corporation, the views of Judge Earl, who delivered the opinion which is reported, would certainly support the view which is contended for by the appellants. But only one other member of the court concurred with him in his opinion while the remaining members of the court concurred in the result and refused to express any opinion upon the question of the taxation of deposits.

In the subsequent case of the Groton Savings Bank, also a Connecticut corporation, where the assessment was also upon that part of the surplus which was invested in the shares of capital stock of New York city banks, the prior case was referred to and it was observed of it that there was nothing there to show that the depositors had any interest whatever in the surplus or that they could ever be entitled to it. Judge O'Brien, who delivered the opinion of the court in the latter case, considered the provisions of the Connecticut statute and observed that it was apparent therefrom that the profits of Savings banks belonged in equity to the depositors and are a part of the deposits, in the same sense that the stipulated interest is or may be. He said that the surplus was within the equity of the statute exempting depositors of Savings banks from taxation, and that "this surplus fund is a debt or obligation due to depositors, just as much as the accumulated interest stipulated to be paid to them. There is no more reason, under these circumstances, for taxing the surplus fund of a Savings bank than the accumulations of a life insurance company held for the exclusive benefit of the assured."

Neither of these cases may be regarded as concluding us upon this appeal; but the reasoning of the opinion in the latter case, by reason of the general likeness of the particular features of the Connecticut statute to ours, is quite applicable.

There is another view which favors the conclusion I think we should reach in holding the surplus fund of a Savings bank to be exempt from taxation. By Chapter 761 of the Laws of 1866 (Sec. 7), the privileges and franchises of a Savings bank were made liable to local taxation, "to an amount not exceeding the gross sum of their surplus earned." Chapter 861 of the Laws of 1867 amended the Act of 1866 as to its 7th section by allowing the deduction from the surplus of the amount invested in United States securities. Both of these statutes were repealed by Chapter 371 of the Laws of 1875; but in 1882 Chapter 402 of the laws of that year repealed the Act of 1875 and the Act of 1866, but did not in terms repeal the Act of 1867. The appellants contend that as a result the Act of 1867 was revived. I do not think that such was the result, inasmuch as the repeal of the Act of 1866, which created the liability to taxation, could hardly be said to have left the amendatory Act of 1867 in force as an independent enactment.

But, however that may be, the revision of the Banking Law in 1892 and of the Tax Law in 1896, superseded, as the entire statute law upon the subject, all antecedent provisions affecting Savings banks, under the established rule of construction. (Matter of New York Institution, 121 N. Y. 234.) Article III of the Banking Law relates exclusively to Savings banks but contains nothing which indicates a revival of the statute of 1867; while Section 183 of the Tax Law expressly exempts Savings banks from the payment of a tax on their privileges and franchises. It seems to be a fair if not a plain inference from the course of legislation referred to, that while the Legislature at one time authorized the local taxing authorities to reach the surplus held by Savings banks, in subsequently withdrawing that authorization, it must be regarded as adopting a policy of non-taxation in the case of savings institutions. The purpose to allow local taxation for the benefit of the community is to be deemed abandoned. It is to be presumed that considerations of public policy have dictated the exemption and that the legislative body has been actuated by the motive of assuring the protection of depositors against the contingencies of losses, or of depreciation in values. The only apparent reason for questioning the policy of such exemption is in the magnitude of the amount of property affected; but that is a reason which must be left to the consideration of the Legislature and which does not bear upon the construction of the law.

I think the order appealed from should be affirmed, with costs.

All concur (Martin, J., in result), except Parker, Ch. J., not voting.

Judgment and order affirmed.

NATIONAL BANK—WHEN TRANSACTION IS A DEPOSIT AND NOT A LOAN.

United States Circuit Court, District of Nebraska, August 8, 1898.

STATE OF NEBRASKA *vs.* FIRST NATIONAL BANK OF ORLEANS.

The borrowing of money by a National bank is not illegal, but when the transaction is not one in the usual course of business, an authority must be shown to have been given by the board of directors, or a ratification by the board.

Where the laws of the State require banks to make bids for public deposits, agreeing to pay interest on the daily balances, and to execute a bond for the faithful payment of the amount of such deposit, the transaction is not a borrowing of money outside of the usual and ordinary course of the banking business.

MUNGER, *District Judge:* This action was commenced in the district court of Harlan county, and removed into this court. By the pleadings it is shown: That the First National Bank of Orleans is a corporation organized under the laws of the United States. That in September, 1895, said bank, for the purpose of becoming a State depository under the laws of the State of Nebraska, and for the purpose of enabling it to receive on deposit from the State Treasurer of the State of Nebraska certain public moneys belonging to the State, and which said Treasurer was authorized to deposit in depository banks, made, executed, and delivered to the State of Nebraska its obligation in writing, a copy of which is attached to the petition. Said bond was executed by the said bank as principal, and by the defendants, John M. Burton, George W. Burton, Pat Gibbons, John O. Hoffman and M. F. Burton, as sureties, which bond was duly approved and filed by the proper officers of the State. The said bond was in the penal sum of $25,000, and provided that, in consideration of the depositing of the moneys of the State of Nebraska for safe-keeping in said bank by the State Treasurer, said bank, in consideration of said deposit and for the privilege of keeping the same, aggreed to pay three per cent. per annum, the same to be computed and paid quarterly upon the daily average of the sum of such amount as the bank should have deposited to the credit of the State for the quarter, or any fraction thereof, next preceding the payment of said per centum. Said bond contained a condition that if said bank "shall well and truly keep sums of money so deposited or to be deposited as aforesaid, subject to the check and order of the State Treasurer as aforesaid, and shall pay over the same, and each and every part thereof, upon the written demand of the State Treasurer, and shall estimate, calculate and pay said per centum as aforesaid, and to his successor in said office as shall be by him demanded, and shall in all respects save and keep the people of the State of Nebraska and the said Treasurer harmless and indemnified for, and by reason of the making of said deposit or deposits, then this obligation shall be void and of no effect; otherwise, to be and remain in full force and virtue." After the execution and delivery of said bond, the Treasurer deposited in said bank certain moneys of said State, and there was at the time of the commencement of the action so on deposit in said bank the sum of $20,000, the moneys of the State of Nebraska. That said bank became insolvent, and P. O. Hedlund, one of the defendants, was appointed by the Comptroller of the Currency Receiver thereof.

Of said defendants, the bank and Receiver have answered in said action. The other defendants, the sureties, have filed a general demurrer to plaintiff's petition, which is now to be disposed of.

In support of the demurrer it is contended that the transaction was one of borrowing money on the part of the bank, not in the usual and ordinary course of banking business; that such borrowing was in violation of the National Banking Act, and not within any of the powers conferred upon the bank, and illegal, the bond or obligation given void, and for such reason the sureties are not liable. It is not claimed in support of the demurrer that every borrowing of money on the part of a National bank is prohibited; but it is contended the fact that, under the depository law of Nebraska, the bank is required to make a bid for the deposit, agreeing to pay interest on the daily balances at a rate of not less than three per cent. per annum, and to execute a bond with sureties for the faithful payment of the amount of such deposit, with the interest thereon, that such a transaction is not a deposit in the ordinary sense, but a borrowing of money in a manner not in the usual and ordinary course of the business of banking. In support of their contention, counsel cite *Bank* vs. *Armstrong* (152 U. S. 346); *Bank* vs. *Kennedy* (167 U. S. 362); *Armstrong* vs. *Bank* (27 C. C. A. 601, 83 Fed. 556; Id., 31 U. S. App. 75, 13 C. C. A. 47 and 65 Fed. 573).

Bank vs. *Armstrong* was an action brought by the Western National Bank of New York against Armstrong, as Receiver of the Fidelity National Bank of Cincinnati, Ohio, to recover the sum of $207,290, on account of a loan made by the New York bank to the Ohio bank. There was no evidence that the Vice-President of the Ohio bank, who acted for said bank in the transaction, had received special authority from the board of directors to borrow the money. Justice Shiras, speaking for the court, said:

"It might even be questioned whether such a transaction would be within the power of the board of directors. The powers expressly granted are stated in the eighth section of the National Bank Act (Rev. St. § 5136, par. 7): 'A National bank can exercise by its board of directors, or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking, by discounting and negotiating promissory notes, drafts bills of exchange, and other evidences of debt; by receiving deposits; by buying and selling exchange, coin and bullion; by loaning money on personal security; and by obtaining, issuing and circulating notes.' The power to borrow money or to give notes is not expressly given by the Act. The business of the bank is to lend, not to borrow, money; to discount the notes of others, not to get its own notes discounted. Still, as was said by this court, in the case of First National Bank *vs.* National Exchange Bank, 92 U. S. 122, 127: 'Authority is thus given in the Act to transact such banking business as is specified, and all incidental powers necessary to carry it on are granted. These powers are such as are required to meet all the legitimate demands of the authorized business, and to enable a bank to conduct its affairs, within the general scope of its charter, safely and prudently. This necessarily implies the right of a bank to incur liabilities in the regular course of its business, as well as to become the creditor of others.' Nor do we doubt that a bank, in certain circumstances, may become a temporary borrower of money. Yet such transactions would be so much out of the course of ordinary and legitimate banking as to require those making the loan to see to it that the officer or agent acting for the bank had special authority to borrow money. Even, therefore, if it be conceded that it was within the power of the board of directors of the Fidelity National Bank to borrow $200,000 on time, it is yet obvious that the Vice-President, however general his powers, could not exercise such a power unless specially authorized so to do; and it is equally obvious that persons dealing with the bank are presumed to know the extent of the general powers of the officers."

For the reason that there was no evidence of any authorization upon the part of the board of directors for the Vice-President to borrow the money, and the further fact that the money so borrowed in the name of the bank never came into its possession, but was appropriated by the Vice-President and Assistant Cashier, and no ratification on the part of the directors, it was held that no recovery could be had.

Bank vs. *Kennedy* was an action to hold the bank liable under the statute of California as a shareholder in a Savings bank. The questions involved were whether a National bank could acquire the stock of another corporation by purchase, not having taken the same to secure an indebtedness to it, and whether, having purchased such stock and enjoyed the benefits of a shareholder, the bank was estopped from setting up the illegality of the transaction. *Armstrong* vs. *Bank* was an action to recover for money borrowed. A recovery was had, for the reason that, while there was no evidence of special authority having been given the Vice-President by the board of directors, it was shown that a long established usage existed between corresponding banks in both cities, where the lending and borrowing banks were respectively situated, of lending and borrowing through the executive officers of the banks, and, further, that the transaction had been ratified by the board of directors, the case being distinguished from that of *Bank* vs. *Armstromg*.

The foregoing cases do not establish the fact that the borrowing of money on the part of a National bank is illegal, but that, when the transaction is not one in the usual course of banking business, authority must be shown to have been given by the board of directors, or a ratification by the board. Was, however, the transaction in question a borrowing of money, or a mere general deposit? Among the enumerated powers of a National bank is "receiving deposits." The depositing of money in a bank has been held in some cases to be a loaning by the depositor, and a borrowing by the bank, for the reason that the relation of creditor and debtor was thereby established. It is to be kept in mind that in the transaction in question, and according to the terms of the obligation sued on, the money deposited with the bank was not deposited for any fixed period of time, but was subject to withdrawal at any time on the check or order of the Treasurer. In *Laws' Estate* (144 Pa. St. 499) a guardian deposited the moneys of his ward in a bank to his account as guardian, the bank agreeing to pay three per cent. interest. On a failure of the bank it was sought to hold the guardian and his sureties liable for the loss. The question turned upon the fact as to whether the deposit by the guardian was a loan or investment of such money, the court saying:

"Was this transaction with the Bank of America a deposit of the money, or was it a loan or investment of it? A deposit is where a sum of money is left with a banker for safe-keeping, subject to order, and payable, not in the specific money deposited, but in an equal sum. It may or may not bear interest, according to the agreement. While the relation between the depositor and his banker is that of debtor and creditor simply, the transaction cannot in any sense be regarded as a loan, unless the money is left, not for safe-keeping, but for a fixed period at interest, in which case the transaction assumes all the characteristics of a loan. * * * In the present case the money was placed in the bank, not as an investment for any fixed period, but merely for safe-keeping and at a small rate of interest. * * * It is true that two weeks' notice was to be given of the withdrawal of the deposit; but this was a reasonable provision, and not inconsistent with a bank deposit. Almost all savings institutions stipulate for notice of withdrawals with their depositors, and such a stipulation is for the benefit, not only of the bank, but also of its depositors."

Allibone vs. *Ames* (S. D.) 68 N. W. 165, was an action founded upon a bond given by a bank, with sureties to secure the payment of public funds deposited by Allibone as county treasurer. The defendants denied liability, for the reason that the deposit was in effect a loan to the bank; that by a law of the State it was a crime for the treasurer to lend public money. For that reason the contract or bond was unlawful, and the defendants not liable thereon. In the opinion holding the defendants liable it is said:

"When the personal property involved is money, it may be difficult under some circumstances to determine whether the transaction should be called a 'deposit' or a 'loan;' but the two are not the same and are never so regarded by anyone in business or the ordinary affairs of life. Certainly the thousands who daily deliver money to banks for safe-keeping and return in corresponding currency do not regard the transaction as a loan nor do they so speak of it. A deposit is for the benefit of the depositor; a loan, for the benefit of the borrower. It is true, a deposit may also benefit the depositary, but such is not the primary object of the transaction. When the deposit is made for a fixed period, during which the depositor has no right to demand the return of the money, the transaction may be regarded as in all substantial respects a loan; but herein lies an essential distinction between a loan and a general deposit."

In the light of the foregoing authorities I think the transaction in question to have been one of a deposit of public moneys, not a borrowing of money on the part of the bank. The fact that the bank bid for the money does not change the character of the transaction. Certainly there can be no objection urged against a bank soliciting business. The State, through its legislative enactment, said to all banks and bankers it desired to place the public funds on deposit (not to loan), subject to withdrawal at any time on the check or order of its Treasurer, and at a rate of interest not less than three per cent. per annum. The defendant bank accepted the deposit on the conditions offered. To my mind, the transaction was a deposit of money; but, whether regarded as a loan or deposit, I do not think it in violation of the authority conferred on a National bank. Certainly, the giving of the security to do what in law it was obligated to do was not a void act The demurrer is overruled.

SPECULATIONS OF BANK OFFICER—NOTICE TO BROKERS.

United States Circuit Court, N. D. Illinois, July 5, 1898.

BEARD *vs.* MILMINE, *et al.*

Where brokers have notice that money used by a bank officer in speculations through them belongs to the bank, they are liable to the bank therefor.

Knowledge by the brokers that their customer is a bank officer, and that he has been steadily losing money in his speculations for years, is sufficient to put them upon inquiry, and to charge them with notice that the money used belonged to the bank.

This was an action by John Beard, as Receiver of the First National Bank, of Pella, against Edward C. Bodman, and others, co-partners as Milmine, Bodman & Co., to recover moneys of the bank lost by E. R. Cassatt, the President of such bank, in speculations through them.

GROSSCUP, *District Judge:* When, in violation of his right, an agent makes an appropriation of his principal's money, and turns it over to a third person, the principal may recover from the third person the money so appropriated, unless the third person is a *bona fide* holder for value and without notice. Under this rule, the plaintiff can, indisputably, recover from the defendants upon the facts found, unless the defendants are *bona fide* holders for value and without notice. The principal question, therefore, is whether the findings of fact show that the defendants are chargeable with notice of Cassatt's misappropriation.

Transactions in futures, of a purely speculative character, where nothing is put up, except for margins, are, in many essential results, different from ordinary business transactions. There is, in these transactions, no investment of money in anything tangible—in any property of supposedly equivalent value—that remains when the deal is ended. If a trader in ordinary pursuits meets misfortune, or becomes involved, something usually remains of his investment. Unless his fortune be entirely swept away or he be dishonest, there is an estate. But the speculator, investing his money in margins, invests, practically, in nothing but a turn in the market. If he meets misfortune, nothing remains. It is essentially putting his money in a turn of chance. The effect, upon the man, of transactions so radical in their money outcome has come to be notable. Transactions of this kind are, indeed, separated very narrowly, if at all, from gambling, pure and simple. Both feed upon the same human propensity, and both lead to the same result. Each is an attempt, by the exercise of wit, to get what another is expected, by the want of wit, to lose. Both lead up to false notions of wealth accumulation. Both bring on the loss of mental equipoise. Each fills its participant with a dangerous character of excitement—often a radical and desperate aggressiveness. No one knows these things better than the brokers themselves. They see, now and then, striking instances of moral and business degeneration under the stimulus of this excitement. They see, now and then, instances of men, pressed for margins, losing all sense of what is their own and what is another's. They witness, as well as the public, that almost unaccountable submergence of judgment and sense, under the effect of which trust funds are misappropriated, and bank funds embezzled, by those who have, at the time, no thought of not eventually making good the loss. They, as well as the public, know how quickly crime, thus secretly begun under the radiance of hope, soon expands into the daring of despair. They have seen, in nearly every community, men press eagerly towards these rainbows of fortune, only to fall quickly into disgrace and a prison. These impressive lessons are a part of the history of every considerable community. Instinctively we shudder for him who loves speculation, and can find the means for feeding that love in access to the moneys of another.

Cassatt was a banker, so far as the record discloses, without means of his own. Through ten years he had, to the knowledge of defendants, poured a steady stream of margins into his deals on the board of trade. Whence did the money come? How was it recruited? Why should this losing, almost desperate, play against ill fortune keep on? No real friend of Cassatt, who knew his opportunities in Iowa, and his practices in Chicago, would have been without painful apprehension. No depositor in the Pella bank, coming into a knowledge such as the defendants had, would have let a day go by before withdrawing his deposit. No stockholder would have failed to institute instant and thorough investigation. The facts known to these defendants would, if communicated to the world, have put every intelligent man, interested in Cassatt's pecuniary condition, upon inquiry. They would have, intuitively, marked him out as a man in peril. Inquiry, in the situation of the defendants, was a moral duty. In their omission to perform that duty they proceeded at their peril. Neglect, in such a case, is followed by all the consequences of bad faith. "If," in the language of *Knapp* vs. *Bailey* (79 Me. 195, 9 Atl. 124), "a party has knowledge of such facts as would lead a fair and prudent man, usuing ordinary caution, to make a further inquiry, and he avoids the inquiry, he is chargeable with notice of the facts which, by ordinary diligence, he would have ascertained. He has no right to shut his eyes against the light before him. He does a wrong in failing to heed the signs and signals seen by him. It may be well concluded that he is avoiding notice of that which he, in reality, believes or knows."

These marts of trade are, in many respects, greatly beneficial to the interests of mankind. They balance, like the governor of an engine, the otherwise erratic course of prices. They focus intelligence from all lands, and the prospects for the whole year, by bringing together minds trained to weigh such intelligence and to forecast the prospects. They tend to steady the markets more nearly to their right level than if left to chance or unhindered manipulation. Nor are the purchase and sale of futures intrinsically wrong. They are the means of bringing about those stable and steadying results. But the tendencies and excesses of human nature—its susceptibility to warp in the fierce heat of excitement or distress—are facts to be heeded by the broker as well as by the public. He may not close his eyes to probabilities, or even strong possibilities, that are patent to the rest of mankind. If he does, the law rightly makes him accountable to those who thereby innocently suffer.

NOTE PAYABLE TO BEARER—EVIDENCE OF OWNERSHIP.

Supreme Court of Nebraska, September 23, 1898.

NEW ENGLAND LOAN AND TRUST COMPANY *vs.* ROBINSON.

The possession of a promissory note payable to bearer is *prima facie* evidence of the holder's ownership of such note.

This was an action to enforce a lien which the plaintiff claimed to have upon certain real estate of the defendant, given to secure the payment of a certain bond and the coupons attached thereto.

RAGAN, *C.* (omitting part of the opinion): But it is insisted that the finding of the district court that the trust company, at the time of bringing this suit, was the owner of coupons 9 and 10, is not sustained by the evidence. We think it is. The execution and delivery of these coupons to the trust company by Robinson were admitted by her in her answer. They were payable to bearer, and they were in possession of the trust company, and produced on the trial. The possession of a promissory note payable to bearer is *prima facie* evidence of the holder's ownership of such note. (*Sharmer* vs. *McIntosh*, 43 Neb. 509; *Bank* vs. *Thomas*, 46 Neb. 861.)

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: NORTHVILLE, N. Y., October 25, 1898.

SIR:—The following clipping raises a point similar to several which have been presented by those desiring to evade the stamp tax on checks:

"WASHINGTON, Oct. 21.—Under an opinion by the Attorney-General the Commissioner of Internal Revenue has reversed a former ruling that the War Revenue Act required a two-cent stamp on a receipt given by a depositor to a bank in withdrawing his funds, and holds that this form of evading the stamp tax on checks cannot be prevented. The ruling was made on this form of receipt, which was filled out by an official of the bank and signed by the depositor on calling for and receiving his money:

$100. LANCASTER, S. C., Oct. 21.

Received of the Bank of Lancaster, of Lancaster, S. C., one hundred dollars on account.

JOHN DOE."

This ruling may be so, but I would be pleased to see your answer to this question in the next number of the BANKERS' MAGAZINE. There may be other banks confronted with this question, and a discussion in your columns would prove interesting and instructive.

B. EGLIN, *Cashier.*

Answer.—This ruling of the Commissioner conforms to the opinion which we expressed last July in reply to an inquiry from a correspondent at Pittsburg. In that case the question was whether it would be an indictable evasion of the law to enter the payment of the money in the pass book, and take the depositor's receipt therefor, no stamp being placed upon the receipt; and we replied that it would not be an issue or payment of a check with a view to evade the payment of the stamp tax, but would be merely a device to avoid using any instrument to which a stamp has to be affixed; and that this was not forbidden by the statute, and would not be a misdemeanor. (See BANKERS' MAGAZINE, July, 1898, p. 96.) The question is one of construction merely and turns entirely upon the language of the statute. We are unable to see how it would be possible to sustain any view different from that adopted in the ruling mentioned.

Editor Bankers' Magazine: YARMOUTHPORT, Mass., Oct. 10, 1898.

SIR:—Is a notary public who is a director in a National bank disqualified thereby to protest any bill of exchange, promissory note, or order for the payment of money, or to take the oath or affirmation of the President or Cashier of such National bank as is required by Sec. 5211 of the National Bank Act? WM. J. DAVIS, *Cashier.*

Answer.—It has been held that a notary who is an officer of the bank may legally protest paper held by the bank (*Nelson* vs. *First National Bank*, 69 Fed. Rep. 798, 16 C. C. A. 425) although he is also a stockholder of the bank. (*Moreland's Assignee* vs. *Citizens' Savings Bank* [Ky.], 30 S. W. Rep. 19.) And it has been held that the Cashier of a bank who is a notary may legally protest his own note which has been discounted by the bank. (*Dykman* vs. *Northridge*, 1 App. Div. [N. Y.] 26.) If the Cashier is not disqualified to protest paper as a notary, certainly a director would not be. And there appears to be no reason why the same rule would not be applicable to the administration of oaths.

Editor Bankers' Magazine: NASHVILLE, Tenn., October 17, 1898.

SIR:—The question of the following clause in notes used in this city has been raised by several parties, and as this bank is one of your subscribers, and being with them, I take the liberty of writing to you, asking if you will publish your opinion on the same. "It is agreed by the makers and endorsers hereof that demand, protest and notices of non-payment of this paper are expressly waived." The question is, does this waiver in the body of the note hold all endorsers—payee and others? There have been several protests of notes which had this clause in, and to prevent lawsuits over fees, they were waived. Yet there is nothing that I can learn in our State decisions on this point. CASHIER.

Answer.—Yes. The waiver in such case forms a part of the instrument, and is embodied in the contract of each indorser. (*Lowry* vs. *Steele*, 27 Ind. 168; *Phillips* vs. *Dippo* [Iowa], 61 N. W. Rep. 216; *Smith* vs. *Pickham* [Tex.], 28 S. W. Rep. 505; *Bryant* vs. *Merchants' Bank*, 8 Bush. [Ky.], 43; *Farmers' Bank* vs. *Ewing*, 78 Ky. 264.) The rule is thus expressed in the Negotiable Instrument Law: "Where the waiver is embodied in the instrument itself, it is binding upon all parties; but where it is written above the signature of an indorser, it binds him only." (Sec. 181 New York Act; Sec. 118 Commissioners' Draft.)

Editor Bankers' Magazine: DETROIT, Mich., October 26, 1898.

SIR:—Can you inform me in the next issue of your MAGAZINE what States by their supreme courts have rendered decisions in regard to the following question: "Does the making by a bank customer of his note, draft or acceptance, payable at such bank, constitute an order to said bank to pay same?" CLARENCE S. FLEMING, *Asst. Cashier.*

Answer.—This rule has been adopted by the highest courts in New York. (*Ætna Nat. Bank* vs. *Fourth Nat. Bank*, 46 N. Y. 82; *Commercial Bank* vs. *Hughes*, 17 Wend. 94.) Pennsylvania (*Commercial Nat. Bank* vs. *Heminger*, 105 Pa. St. 496), and Indiana (*Bedford Bank* vs. *Acoarn*, 125 Ind. 584). It is also the rule of the Negotiable Instruments Law, and consequently prevails in all those States in which that law has been adopted, namely, New York, Connecticut, Massachusetts, Maryland, Virginia, Florida and Colorado. The provision of the Negotiable Instruments Law is as follows: "Where the instrument is made payable at a bank it is equivalent to an order to the bank to pay the same for the account of the principal debtor thereon." (Sec. 147 New York Act; Sec. 95 Commissioners' Draft.) Under this rule the bank would be authorized to pay for the maker or the acceptor, as the case might be.

Editor Bankers' Magazine: MORRISVILLE, Vt., Oct. 17, 1898.

SIR:—One of our depositors has given a note to a third party which is made payable at his bank and is due to-day and is here for collection. The depositor has sufficient funds to his credit to cover the note. Have we a right to remit for the collection and charge the amount of the note to the depositor's account, he having given us no instruction to do so?

H. M. RICH, *Treasurer.*

Answer.—We do not find that the Vermont courts have yet decided this question, and the decisions of the other State courts are conflicting. (See reply to inquiry from Detroit, Mich., in this issue.)

Editor Bankers' Magazine: OWATONNA, Minn., Oct. 20, 1898.

SIR:—I shall be grateful as one of your subscribers to have an answer to the following: A forger got printed and filled out and forged entirely a number of checks drawn on this bank and purporting to be the checks of a certain creamery, one of our customers. The checks were made payable to a fictitious person, and so endorsed by the forger. After banking hours the forger took these checks to various dealers in the city, and after purchasing a small article offered the check in payment and received the balance due in cash. On the next day or next two days these checks were brought to us by our customers, endorsed by them, and the forgery not being noticed at the time, were placed to the credit of our customers. Three of the checks came through the First National Bank here and bore their endorsement, together with the endorsement of their customers from whom they had taken them on deposit. After five days we discovered that the checks were forged and immediately demanded payment of our depositors and from the First National Bank. Our own customers paid back the money, but the First National Bank refused and will not return the money. The question is: Are we liable for the payment of those checks, or are the customers liable? I contend that we are not entitled to pay these checks for the following reasons: The merchants paying them were in no worse plight on account of our failure to detect the forgery immediately upon presentation. Since the checks bore the endorsement of reputable customers and banks, we did not scrutinize them as though they were presented over the counter for payment. The parties cashing the checks were in a way a party to the forgery, since they attempted to do a banking act and thus mislead us. Can you cite a recent case having the above points involved which has been published in your MAGAZINE or elsewhere?

CARL K. BENNETT, *Cashier.*

Answer.—The general rule is, that the drawee bank is bound to know the signature of the drawer, and that if it makes payment to a *bona fide* holder, upon a check to which the name of the depositor has been forged, it cannot recover the money so improperly paid. (*Levy* vs. *Bank of United States*, 4 Dallas [U. S.] 234; *Nat. Park Bank* vs. *Ninth Nat. Bank*, 46 N. Y. 77; *Bank of St. Albans* vs. *Mechanics' Bank*, 10 Vt. 141; *Commercial and Farmers' Nat. Bank* vs. *Flint Nat. Bank*, 80 Md. 11.) But this rule applies only when the party receiving the money has in no way contributed to the mistake or fraud; and in the absence of actual fault on the part of the bank, its constructive fault in not knowing the signature of the drawer, and detecting the forgery, will not preclude it from recovering from one who took the check under circumstances of suspicion, without proper precautions, or whose conduct has been such as to mislead the bank, or induce it to pay the check without the usual security. (*First Nat. Bank of Danvers* vs. *First Nat. Bank af Salem*, 151 Mass. 280; *First Nat. Bank of Crawfordsville* vs. *Indiana Nat. Bank* [Ind.], 30 N. E. Rep. 808; *People's Bank* vs. *Franklin Bank*, 88 Tenn. 299; *Deposit Bank of Georgetown* vs. *Fayette Nat. Bank*, 90 Ky. 10; 13 S. W. Rep. 339; *Nat. Bank of North America* vs. *Bangs*, 106 Mass. 441; *Ellis* vs. *Insurance Company*, 4 Ohio St. 628; *First Nat. Bank* vs. *Ricker*, 71 Ill. 439; *Rouvant* vs. *San Antonio Nat. Bank*, 63 Tex. 610.) The question in the case mentioned in the inquiry is, therefore, whether the persons cashing the checks took them under such circumstances that they are chargeable with negligence; and this must depend upon all the facts of the case; and as we are not advised of these facts, we are unable to give an opinion in the matter. But the mere fact that these persons cashed the checks would not be deemed such negligence. The case must turn upon the circumstances under which this was done.

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT AND PROSPECTIVE MEETINGS.

KANSAS.

The Kansas Bankers' Association met at Leavenworth October 26. A leading feature of the first day's session was the reading of a paper by Bank Commissioner John W. Breidenthal on a "Guarantee Fund for the Protection of Depositors." He proposes to require the banks of the State to deposit five per cent. of their annual average deposits with the State Treasurer; the State Treasurer is to be required to deposit this fund in State banks in sums not to exceed $10,000 at two and one-half per cent. interest, the banks to give a surety company bond for the full amount of such deposits; the interest on this fund is to be set aside as a guarantee for all deposits in State banks. When a bank fails a Receiver is to be appointed immediately, and he will be given sixty days in which to prove up all claims and collect quick assets belonging to the bank; at the expiration of sixty days the Receiver will pay such dividends as funds collected will justify. Thereafter depositors can send their certificates to the State Treasurer, who will pay them in full out of any funds in his possession belonging to the guarantee fund. The Receiver will continue in charge of the bank, and is to continue remitting all collections to the State Treasurer until the fund is reimbursed.

At the evening session W. C. Allen, of Ottawa, read a paper on "Management of Mortgage Companies," and W. F. March, Cashier of the Merchants' National Bank, Lawrence, spoke on "A Banker's Education." Short addresses were also delivered by Calvin Hood, President of the Emporia National Bank; J. P. Moore, Cashier First National Bank, Holton, and F. B. Dawes, of Leavenworth.

On the second day of the convention the legislative committee reported in favor of having the Kansas banking law changed to abolish the three days of grace. A proposition was discussed to ask for a reduction of taxation. At the suggestion of Mr. Breidenthal it was decided to ask the Legislature to appoint a committee to revise the entire assessment law of the State. The following officers were elected:

President—Charles M. Sawyer, President First National Bank, Norton.

Vice-President—W. F. March, Cashier Merchants' National Bank, Lawrence.

Secretary—J. M. Harper, Cashier Bank of Conway Springs.

Treasurer—Amos E. Wilson, Cashier First National Bank, Leavenworth.

Vice-Presidents—(First group), Scott Hopkins, President First National Bank, Horton; (second group), Grant Hornaday, Cashier First National Bank, Fort Scott; (third group), Fred. B. Clarke, Vice-President Citizens' State Bank, McPherson; (fourth group), Otis L. Benton, Cashier Oberlin National Bank.

The convention will meet at Fort Scott next year.

KENTUCKY.

The seventh annual convention of the Kentucky Bankers' Association met at Louisville October 12, J. D. Powers, President of the First National Bank, of Owensboro, presiding.

After prayer by Rev. C. H. Hemphill, Mayor Weaver made an address of welcome which was responded to by George C. Thompson, of Paducah, in the absence of B. G. Witt, of Henderson, who was to have replied.

In the course of his annual address President Powers advocated a more aggressive policy on the part of bankers, speaking on this point as follows:

"As bankers and business men, we need co-operation, confidence and courage. We are prone to give too little heed to our duty as citizens in the every-day affairs of life, political as well as commercial. It is our duty to make ourselves felt in the community and in the State. Our part of the burdens of citizenship we should not shirk, but should willingly bear, and our rights we should demand. We should never apologize for our existence or our business. The banking business is not only legitimate, but honorable and beneficial to the country."

He also spoke in favor of the uniform negotiable instruments law, and suggested the advisability of adopting the group system of organization as a means of stimulating interest in the association's work.

The report of Treasurer E. W. Hays showed a balance of $189.61 on hand. Secretary Isham Bridges reported a total membership of 178.

At the afternoon session W. L. Thelkeld, Secretary of the Security Trust and Safety Vault Co., of Lexington, presented an interesting paper on "Bankers: Their Duty Pertaining to the Public Questions of the Day."

E. C. Bohné, Cashier of the Third National Bank, Louisville, read a very carefully prepared paper on the desirability and practicability of a State clearing-house for country checks. Under the present system he estimated that the banks of the State were losing nearly $1,000,000 per annum. He suggested a practicable plan by which this loss might be avoided.

When the reading of Mr. Bohné's paper was concluded, Logan C. Murray, Vice-President of the American National Bank, introduced Attorney Geo. M. Davie, who spoke in regard to the parts of the war revenue law which apply to banks and banking transactions.

After the close of the first day's session, a reception was given at Fountain Ferry Park, followed by a banquet at which M. C. Peter, President of the Bank of Louisville, acted as toastmaster.

At the second day's meeting S. B. Lynd, Assistant Cashier of the Citizens' National Bank, of Louisville, read a paper on "Some Phases of Bank Competition." He spoke of the decrease in bank profits, due to excessive taxation and the decline in interest rates. The only remedy, he said, was in the curtailment and abolition of those numberless concessions and inducements that have been offered to bank customers in the efforts many bankers have made to build up business at the expense of their neighbors. These concessions, small at first, had grown so that they swallowed every legitimate source of profit except the discount charge alone.

In other words, the banker charges a customer for money loaned and does every other service that can be demanded without compensation. Mr. Lynd deprecated the introduction of bargain counter methods in the banking business, but said that certain bankers had introduced them and the other banks had to follow suit in order to continue doing business.

He said it would take some time to convince merchants that they should pay banks for services rendered, instead of looking upon the latter as charitable institutions. To begin with, Mr. Lynd suggested that checks which banks draw on their correspondents should be paid for at the rate of ten cents for small checks and sums in proportion for the larger ones. The checks cost the banks from one to two cents, the revenue stamps cost two cents, the time of the clerks who draw the checks is valuable, and besides the bank is often made responsible when a rascal gets hold of a check and raises it.

Banks furnish their customers with check books, which are expensive and on which money could be saved by making customers pay for their own checks. It was suggested that banks charge for handling cash checks.

As to handling drafts, the city merchants had made of them a convenient way of dunning their out-of-town customers, and banks shou'd charge for their services in the matter.

Officers were chosen for the ensuing year as follows:

President—E. D. Sayre, President Security Trust and Safety Vault Co., Lexington.

Vice-Presidents—First district, G. C. Thompson, President American-German National Bank, Paducah; second district, D. C. James, President Bank of Union County, Morganfield; third district, J. E. Potter, Cashier Potter's Bank, Bowling Green; fourth district, R. T. Smith, Cashier Farmers' Deposit Bank, Horse Cave; fifth district, Logan C. Murray, Vice-President American National Bank, Louisville; sixth district, E. S. Lee, Cashier First National Bank, Covington; seventh district, D. W. Lindsey, President Bank of Kentucky, Frankfort; eighth district, S. S. Parkes, Cashier Farmers' National Bank, Richmond; ninth district, J. F. Barbour, President Bank of Maysville; tenth district, J. G. Winn, President Mount Sterling National Bank; eleventh district, Geo. W. Wait, President Somerset Banking Co.

Secretary—Isham Bridges, Manager Louisville Clearing-House Association.

Treasurer—E. W. Hays, Cashier Bank of Kentucky, Louisville.

Executive Committee (for three years)—J. D. Powers, President First National Bank, Owensboro; R. P. Stoll, President Lexington City National Bank; Attilla Cox, President Columbia Finance and Trust Co., Louisville.

It is expected that the convention will be held at Lexington next year.

ILLINOIS.

The Bankers' Association of Illinois met in eighth annual convention at Joliet Oct. 25, there being a large attendance.

After the opening prayer, and an address of welcome by Mayor Lagger, of Joliet, President W. T. Fenton delivered his annual address, which was a forceful presentation of the important questions now engaging the attention of bankers and business men generally. He said, in part:

"This is a convention of business men. It is a greater honor to be a business man in America to-day than at any other period in the history of our country, because it is only within the last two years that the business men of the United States awoke to a realization of their strength. Two years ago a wave of insanity was sweeping over this country. Second only to the heroes of our army and navy are those men in commercial pursuits who, ignoring party obligations, forsaking party affiliations, joined in defense of national and individual credit.

I am not talking politics now; I am talking business to business men. There has not been any politics in this country for two years. There are only two questions to-day—business and patriotism—and they don't travel separately. The commercial life of this country means the home and the home means patriotism. I ask you to recall what was taking place in this country two years ago to-day. The life of the nation was trembling in the balance, and the business men came out like an army with banners, and repudiation and the 'God-given ratio' were swept from the face of the earth forever. Can men ask for any greater honor?"

In speaking of currency reform President Fenton paid a warm tribute to the work of the Indianapolis Monetary Conference, concluding his remarks as follows:

"The Executive Committee, headed by Mr. Hanna, has been unremitting in its work. To its intelligent and indefatigable work we are indebted for the currency reform bill, which was favorably reported by the Banking and Currency Committee of the lower house of Congress at the last session.

We may not all agree as to the details of this bill, but we should remember that it has behind it the conservative force of the business men, and therefore cannot be very far from what is needed. If any evidence is needed to show that this is a meritorious measure, we have it in the fact that within the last week the advocates of free silver have stopped the cry of 16 to 1 and have begun a war on this bill.

Let us push this question of currency reform to a point where it will not be a football in every political campaign, as it has been in the past. Let us use every effort to give to the expressed will of the people the validity and the vitality of public law, to the end that this Nation may (to use the words of an honored member of this association, now Secretary of the Treasury) 'be more firmly committed to the gold standard.'

Under the stimulus of that standard endorsed by the people, we have come up through the miasma of financial swamps into the broad open field of business prosperity, into the old-time activity. We are thinking less about standards to-day; we are forgetting the dangers that beset us. We are in the midst of a revival of business; that intangible circulating medium, which we call confidence, is again restored to the people, and we suddenly find that all other circulating mediums are ample. We are face to face with new questions; with the daily problems of busy men. We are meeting new faces; the old faces have taken on a new and hopeful look: our erstwhile friends, 'elasticity,' 'flexibility' and 'redundancy,' would hardly feel at home even in a bankers' convention to-day. We are thinking about expanding trade, of reaching out into new territory; thinking about building factories and railroads. We are comparing the bank clearings with large figures made in the past, only to find that we exceed them. We are watching the movement of the product of our farms as it goes to feed the world; figuring on bringing back from Europe balances due us in gold. Looking upon the cattle and the sheep all over the West and Southwest, computing their value in dollars, only to find that it is greater than ever before in our history. We see the look of contentment on the face of the farmer, the laborer, the artisan. We look out about our home and see that the house has a fresh coat of paint; the iron dog is out on the front porch again; the brass rooster on the barn has been newly gilded; the grass on the front lawn is carefully cut, and the girl in the hammock has a new red ribbon in her hair.

My friends, under this happy condition of affairs let us not be lulled into unconsciousness; let us not forget that in the days of Troy, while the people slept, the enemy fell upon the city."

The following reports were delivered: Secretary's, by Edward Tilden, of Chicago; treasurer's, by A. B. Hoblit, Bloomington; executive council, Frank W. Tracy.

John Lambert, a prominent Joliet steel operator, spoke encouragingly of the industrial outlook, saying that now there was work for all, while two years ago many workmen were out of employment.

Thomas Cratty, of Chicago, read a valuable paper on the new bankruptcy law.

A very able paper was read by Fred O'McFarland, of Mendon, giving the reasons why a paper currency should be issued by the banks instead of by the Government.

At the second day's session A. J. Williford, Cashier of the Nokomis National Bank, urged the adoption of the Negotiable Instruments Law, and Frank W. Tracy, President of the First National Bank, Springfield, who has worked energetically in behalf of the law, also spoke of the necessity for active efforts to secure the passage of the law at the next session of the Legislature.

Resolutions were adopted pledging the co-operation of the association in the movement to improve the public highways of the State.

Homer W. McCoy, Second Vice-President of the Merchants' National Bank, Peoria, presented the report of the delegates to the convention of the American Bankers' Association at Denver.

B. R. Hieronymus, Cashier of the Illinois National Bank, Springfield, read a paper on "The Details of Banking Business," which showed a thorough familiarity with all the requisites of sound and successful bank management.

David Kinley, Professor of Economics in the University of Illinois, gave an exposition of the principles and provisions of the McCleary currency bill. He thus summarized the advantages of the measure:

"1. It relieves the Treasury largely from the strain of current greenback redemption, and so breaks the endless chain.

2. It provides a safe and elastic note system, with efficient redemption.

3. It provides banking facilities for country districts, and at competitive rates.

4. It relieves our bank circulation from dependence on a permanent bonded debt.
5. The system proposed will expand to meet the needs of a growing population and a larger business.
6. It will doubtless reduce interest charges for the farmer who borrows to move his crops."

Hon. James H. Eckels, former Comptroller of the Currency, and now President of the Commercial National Bank. Chicago, spoke on "The Money of Commerce." In the course of his address, which was received with enthusiasm, he said:

"In the multiplicity of transactions caused by the enlargement of the world's trade, the commercial world has come to lay down the decree that only that thing can be accepted as the standard of value and of money which is of such stability of value that in the course of trade and commerce it will be accepted without reflection or calculation as to its present or continuing value.

As against the dollar of the commercial world Congress can create a dollar by legislation which will do to pay debts, but it cannot force men to use it in buying and selling property when its unsatisfactory nature becomes clear.

Our country's dollar must be a dollar which is as useful for purchasing purposes as it is for debt-paying purposes, and which is as honest for debt-paying purposes as it is for purchasing purposes."

Reports from the vice-presidents of the various Congress districts were of a uniformly favorable nature.

Frank W. Tracy, chairman of the executive council, offered the following resolutions, which were adopted unanimously:

"*Whereas*, Evidences are daily multiplying which prove the wisdom of a majority of the voters in the United States, who, in 1896, expressed by their ballots their conviction that all the demand issues of the Government should be kept at a parity with gold; and

Whereas, The wisdom of the people's vote is manifested in our increase of business, both at home and abroad; therefore be it

Resolved, That the Bankers' Association of the State of Illinois most urgently requests the Senators and Representatives in Congress from Illinois to assist us, in the interests of the business men of the whole country, in the work of currency reform, so that some measure may be enacted by the Congress of the United States which will ultimately retire the demand issues of the Government without contracting the currency, and give us a stable, elastic bank currency, responsive to the demands of business and commerce, redeemable in gold, affording accommodation at all times of the year to all sections of the country, and which shall tend to the reduction of rates of interest to borrowers; and be it further

Resolved, That in view of the broadening of our foreign markets and the promise of still greater expansion of our commerce in Asia and the islands of the seas, American bills of exchange should not be exposed to the apprehension of any future change in our standard of value, but, like foreign sterling letters of credit, should possess the quality of unalterable value in any part of the civilized world."

The following resolution of good will toward the Canadian Bankers' Association was passed, and a message was sent by telegraph to its president, D. R. Wilkie:

"*Resolved*, That the congratulations of the Illinois Bankers' Association be expressed by wire to the Canadian Bankers' Association now in session in Toronto, Canada; that we reciprocate the feeling of friendship expressed in the communication of the president of that association, and that this association will do all in its power to bring into closer relations the nations of the world which are of one blood and one language."

By a rising vote Secretary of the Treasury Gage was congratulated and indorsed for his able administration of his department. The retiring secretary of the association, Edward Tilden, who has served in that capacity for a dozen years, received another rising vote of thanks. Thanks were also given formally to the Joliet citizens. Resolutions of regret at the death of Thomas S. Ridgway were passed.

Officers for next year were chosen as follows:

President—John L. Hamilton, Jr., President Hamilton & Cunningham, Hoopeston.

First Vice-President—H. H. Harris, Cashier First National Bank, Champaign.

Secretary—W. L. Moyer, Assistant Cashier American Trust and Savings Bank, Chicago.

Treasurer—A. B. Hoblit, Cashier State National Bank, Bloomington.

Members of Executive Council—Terms to expire in 1901: W. T. Fenton, Chicago; Edward Tilden, Chicago; Phil Mitchell, Rock Island; George W. Evans, Mount Vernon; William George, Aurora. To fill unexpired terms: C. L. Burkhalter, Springfield; E. G. Keyes, Decatur.

Committee on Private Bankers—Andrew Russell, Jacksonville; E. Durham, Onarga; Asher R. Cox, Xenia; A. R. Moulton, Chicago; James McKinnie, Aledo.

Delegates to the Convention of the American Bankers' Association—Frank W. Tracy, Springfield; Holmes Hoge, Chicago; J. G. Orchard, Chicago; A. G. Danforth, Washington; J. Millikin, Decatur; H. W. Ullrich, Chicago; Thomas D. Catlin, Ottawa; E. J. Parker, Quincy; J. A. Ayers, Jacksonville.

Vice Presidents—F. E. Brown, Chicago; E. G. Keith, Chicago; E. B. Lathrop, Chicago; Charles L. Hutchinson, Chicago; George M. Reynolds, Chicago; A. Blum, Chicago; James H. Eckels, Chicago; F. Bross, Cairo; James K. Blish, Kewanee; Gilbert Woodruff, Rockford; A. F. Dutton, Sycamore; Harry C. Roberts, Princeton; T. A. Mason, Joliet; H. W. McCoy, Peoria; F. E. Harding, Monmouth; W. S. Rearick, Ashland; Frank Hoblit, Lincoln; Charles E. Morgan, Litchfield; J. Kohl, Centralia; Jackson Locket, McLeansboro.

Executive Council—Frank Elliott, of Hockenhull & Elliott, Jacksonville, Chairman.

NEW YORK—GROUP MEETINGS.

Group VIII.

The annual meeting of Group VIII, comprising the banks of the boroughs of Manhattan, Bronx and Richmond, New York city, met at the Down Town Club, New York, October 24.

Gen. Thomas L. James, President of the Lincoln National Bank, New York, and retiring chairman of the group, made the principal address. He said:

"I congratulate you that the predictions made by my predecessor a year ago regarding the revival of commercial and industrial activity have been more than realized. I also congratulate you that gold is now the yardstick by which values are measured and is also the standard money of the merchant.

The past year has furnished an unprecedented record, both in domestic and foreign commerce and progress. That unfailing barometer of trade, the clearings of our banks, has, during the same period, revealed the high-water mark of business advance. We have imported, in payment of the balance of the obligations the rest of the world owes us, in round numbers, $100,000,000 gold; and our exports of American merchandise—to say nothing of breadstuffs—in excess of our imports, reach the colossal figure of half a billion dollars. For the nine months of the present calendar year our exports are $100,000,000 in excess of those for the corresponding period in any other year, while the excess of exports over imports is likely to be as great this year as last. As has been truthfully said by one of the bankers of New York, in his financial circular: 'A new and eager demand for our surplus wheat has recently developed. This will bring out a large amount of the cereal that has been held back by our farmers and will further increase railway tonnage. Never before have the Western agricultural districts been as comfortable and as prosperous as now. The fact that so large a part of this year's wheat crop has been held back for higher prices shows that the growers have not been forced to sell. For the first time they could hold back their grain and yet have money on which to live, and also for the purchase of unwonted comforts and luxuries. This means business for the home merchants, the Eastern jobbers, and the manufacturers of the entire country, and it means large return freights for our railroads.'

Since our last meeting the country found itself suddenly plunged, for the first time in its history, into war with a nation across the sea that does not speak the English language. You are familiar with the unprecedented achievements: A single campaign on land; and, between sunrise and noon, the entire destruction of two Spanish squadrons, with the loss of but a single American life and no material injury to our warships—which shows the scientific mastery of naval warfare and modern armed warships by American seamen. An Eng-

lish admiral has said that the fight at Manila and at Santiago was, on the part of the United States naval squadrons, simply target-firing—sad target-firing for Spain.

But there is another feature—more particularly of interest to us, perhaps—of which public mention has not been made. I think, for the first time in the history of international conflict, a war has been begun and ended without impairing the credit of both of the nations engaged in it. The credit of the United States was even higher after the war was in progress than it was before the declaration of war was made; and it placed its war loan upon the market at a rate of interest which establishes the credit of this country in even rank with that of Great Britain, until now the foremost financial nation of the world.

The war was conducted, notwithstanding the vast expenditures, without any demoralization of business, or even serious disturbance; and its financial management reflects the highest credit upon one of our own fraternity, Hon. Lyman J. Gage, Secretary of the Treasury.

In the year in which we have driven Spain from the Western Hemisphere, and, practically, from the Eastern as well, this country has done the largest business in its history and has won, in the markets of the world, triumphs unsurpassed. This Republic has revealed itself to the American people as standing upon the threshold of an era of trade with the rest of the world, which will soon rival the magnitude of that which Great Britain has so long enjoyed.

These are features of a year of war which especially appeal, with their full significance, to the bankers of the United States.

Notwithstanding these happy omens, we cannot look into the future without seeing some alarming shadows. There is, first, the unreasonable opposition to the banking interests of the United States, by that element which makes possible the socialistic and populistic agitation; and second, the fierce rivalry that exists between banks and trust companies, the latter of whom enjoy all the privileges of National and State banks, and others of far more profitable character, without incurring any of the responsibilities, or restraints, or expenses. This is a matter of serious import to us all; and I only refer to it in order that you may carefully consider whether there will grow out of this condition tendencies which, hereafter, may be of serious consequence to the National and State banking interests.

Already we notice what may be the beginning of a tendency towards the consolidation of banks, so great has been the competition I have spoken of. There is also a marked disposition on the part of powerful banks to secure control of smaller ones without incurring any violation of the National Bank Act. At least three instances of this sort, which have taken place within the past few months in this city, might be mentioned to illustrate this point. I do not wish to discuss or to imply that I favor or disapprove of it, but I simply speak of it as a fact illustrative of what may be a new tendency.

The question of branch banks, which has agitated the financial world for some time, seems to have been settled by a decision of the Comptroller of the Currency, reaffirming the former rulings of that office, which insists that it is not within the legal power of National banks to establish branches. It is of the highest importance that we give this subject most careful consideration, so that we may decide whether this disposition to create branch banks is in response to a healthful impulse, or whether it is for the best interests of wise banking that no attempt should be made to induce Congress to modify the law so as to permit the establishment of branch banks.

The necessity of union for self-pretection needs no argument. It has been more than demonstrated by the operations of this group for the past few years. A closer organization, more frequent meetings, at which financial topics and business methods should be exhaustively discussed, would be of lasting benefit. The closer the representatives of the banks of this city can be brought together, the more important and beneficial it will be for the banking interests. It is by thorough organization and by constant watchfulness that the supremacy of New York as the financial centre of the Republic can be maintained. This is your work, gentlemen, and I know by experience that it will be fully and completely done."

The secretary's report was read by Charles H. Stout, Cashier of the National Bank of the Republic.

On motion of S. G. Nelson, Vice-President of the Seaboard National Bank, the following ticket for the ensuing year was nominated and elected:

Chairman—Eugene H. Pullen, Vice President National Bank of the Republic.

Secretary and Treasurer—Frank Dean, Cashier Fifth Avenue Bank.

Executive Committee—Alvah Trowbridge, Vice-President National Bank of North America; A. Gilbert, President Market and Fulton National Bank; Scott Foster, President People's Bank; Alfred C. Barnes, President Astor Place Bank; Samuel Wolverton, Cashier Gallatin National Bank.

Messrs. Alvah Trowbridge, Vice-President of the National Bank of America, and Francis L. Hine, Cashier First National Bank, were appointed a committee to escort the new presiding officer to the chair, and Messrs. Trowbridge and Bradford Rhodes, of Mamaroneck, a committee to escort Mr. Dean to his new position.

On taking the chair Mr. Pullen said :

"Gentlemen—I am profoundly sensible of the distinction you have conferred upon me in electing me to this highly honorable and responsible position. The pleasure of receiving this honor from this body is enhanced by the knowledge that it comes from neighbors and friends. I am at the same time sensible of the fact, that, unaided and alone, I can accomplish but little in the administration of the duties of this office. But if I can have the hearty co-operation of every member of this group, surely the next year we ought to accomplish something. The New York State Bankers' Association has a magnificent record for the years of its existence, and this group during the coming year should do some work that will redound to its credit and the general prosperity of the banking fraternity."

Mr. Dean also made a brief address, after which the bankers had luncheon together.

GROUP V.

The annual meeting of Group V of the New York State Bankers' Association was held at the Troy Club, Troy, N. Y., Friday evening, October 28. There was a large attendance, and the meeting was one of more than ordinary interest. The business session was held, after which there was a banquet and speech-making.

The speakers of the evening were Rev. Dr. A. V. V. Raymond, President of Union University; E. H. Pullen, Vice-President of the National Bank of the Republic, New York city, and former President of the American Bankers' Association; Charles R. Flint, of New York, and James H. Potts, of Troy.

The toastmaster introduced Mr. Pullen as the most prominent representative of banking circles in the country. Mr. Pullen spoke as follows :

"When a bank is organized care is or should be taken to place the stock with parties who will contribute to the success of the institution, and when the shares of any stockholder are offered for sale the bank should, as far as it can properly do it, endeavor to secure a purchaser who will be actively interested in the prosperity of the bank.

All stockholders of banks cannot, with isolated exceptions, be directors, though they elect them, but there is nothing either in National or State banking laws that prohibits them from being depositors.

Stockholders of many banks simply buy the shares as an investment, and all the interest they feel is to receive uniform and uninterrupted dividends, toward the earning of which they contribute nothing.

With few exceptions they do not attend meetings, and in lieu of personal attendance give proxies to others to vote their shares.

The only knowledge they have of the election of directors at such annual meeting is obtained from the publication of the same in the press.

It is probable that in smaller towns the stockholders are friends and neighbors, feeling a local pride in the success of the bank in which they are interested, familiar with its progress and condition and co-operating with each other to secure its prosperity.

But in many of our large cities the stockholders of banks are not confined to their locality, but are residents of various parts of our country and Europe.

The duty of a director in a National bank is clearly set forth in the oath which he is required to take when he qualifies as director.

A director is one who directs, and therefore his duty is to direct. He is to direct as one of the board of directors, having but one vote, and the majority of the existing directors determines the action of the board.

A director's share in the management of the bank is not confined to his attendance at the regular or special meetings, or as one of a committee to make personal examinations of its assets and liabilities.

The community has not in late years felt the confidence in any bank examination, by whomsoever made, as formerly.

Developments have occurred and are periodically occurring that naturally excite surprise and distrust.

The directors of a bank are elected annually by the stockholders, and the officers are elected or appointed by the directors.

Hence their duty is to elect or appoint such officers as are in their judgment honest and competent—to absolutely know that they faithfully and properly discharge their respective duties.

They should keep themselves constantly informed as to the details of the bank's management and condition, the character and responsibility of its depositors and their accounts, the loans and discounts and the expenses of conducting its business.

It would be easy to multiply instances of the complete wreckage of banks by the neglect or criminality of their officers, who were interested in other business or speculations.

It is written that "No man can serve two masters," and that we "should render unto Cæsar the things that are Cæsar's," and, divorcing these axioms from their biblical connection, they hold good in the everyday affairs of life.

Their individual time and attention to their banks cover the hours of business, leaving ample leisure for rest, recreation and social enjoyment.

An annual vacation is absolutely necessary to the officers and clerks and is decidedly advantageous to the banks.

Show us an officer or clerk who never takes a vacation, who year in and year out confines himself to the labors of his position, and we will show you a man who should be compelled by the bank, for its own interest, to absent himself from his duties for a period during each year of his service.

The confidence of clerks should be invited, the officers should take a personal interest in each man under his charge, and thus stimulate them to take pride and pleasure in the performance of duty.

Each clerk, however humble his position may be, is a link in the chain of a bank's business, and the officers' obligation is to see that each link bears its share.

The officers should know something about the habits and associates of their clerks.

Bank officers and clerks are officers and clerks during the hours of absence from the bank as well as during the hours of presence in the bank.

Depositors and borrowers sustain an important relation to the banks.

The success of a bank depends upon its patronage, and effort is necessary to secure that patronage, and when secured constant effort is equally necessary for its retention.

The officers should make such efforts. Much depends on the courtesy shown by the officers to depositors, treating them with such consideration that they feel at home in the bank and entertain an interest in its prosperity.

If they are entitled to accommodation it should be promptly and cheerfully given, but if the officers are constrained to decline, their negative should be so expressed as to cause the depositor to regard it almost as pleasant and satisfactory as if it had been affirmative.

Gentlemen, our profession is an honorable one, abounding in duties and responsibilities, and its corner-stone is honesty and the superstructure is builded by faith.

Honesty commands the faith of the public, which is materialized in patronage.

Notwithstanding all the checks and guards devised by human ingenuity and suggested by experience, the vast and complicated operations of banks and integrity of their management depend in a great measure on the nobler security of faith, confidence and trust.

Directors may be ever so watchful and cautious, but in the multiplicity and variety of transactions, to personally overlook and review the innumerable details is simply impossible, and it is in these details that temptation and danger are to be apprehended.

No man is exempt from temptation. We are peculiarly situated, and are tempted and tried beyond the average of humanity.

Gentlemen, the prizes in our profession are won not so much by ability as by its faithful consecration, great or small, to our duty. This rule obtains in all the walks of life. The lawyer succeeds best who identifies himself with his client, the merchant or artisan who studies to please his patrons, the player who merges his individuality in the character he portrays, the minister of the gospel who sinks his little self in the infinite grandeur of his lofty theme. So the interest of the bank should be the interest of each officer; he should identify himself with it, work for it, not only within the narrow limits of his own special desk, but in all its departments where his work is needed; he should rejoice in busy and prosperous times, gladly accepting the additional labor resulting therefrom; he should cordially welcome new accounts and regret the loss of old ones; he should make the transaction of business with him by customers a mutual pleasure; in short, the bank, not self, should be his first consideration. Such a man will win the prizes of our high calling; but the man who thinks only of self; who does as little as he can; who is constantly whining about too much work and too little pay; who comes late and goes early; who grumbles if a new account is opened and chuckles if an old one is closed; who treats a customer as if he were a burglar or a beggar; that man will never advance in our profession though he be gifted with splendid abilities.

Let us honor our profession, then our profession will honor us. Let us do whatever our hands find to do, and do it as well as we can."

The next speaker was Charles R. Flint, of New York. He gave a most optimistic report of existing business conditions throughout the country, and in closing spoke of the importance of establishing an international American Bank. He said:

"In 1889, when representing the United States on the banking committee of the International American Conference, I formulated a report in favor of the establishment of an international American bank. At that conference were represented all of the American republics, and the time seemed to me opportune to commit those republics to facilitating the branches of a bank established under the laws and under the control of the citizens of the United States. I pointed out at that time that over seventy per cent. of the produce imported into the United States was imported under the credits of London bankers; that we paid the London bankers for their autographs over $1,000,000 annually on our own imports. I also called attention to the fact that America did not have a bank or a branch of an American bank in any foreign country; that we should control international banking facilities that could not be nullified by European panics or wars; that the rubber of Brazil, the hemp of the Philippines, and other raw material which many of our great manufacturing interests require, should not be entirely dependent upon London credit facilities. Secretary Blaine endorsed the report in a letter to the President, and the President sent to Congress two messages in its favor.

The establishment of an international American bank is more feasible to-day than it was in 1889, from the fact that so many of our industries have become centralized. A large bank would meet the needs of business and our increasing foreign trade. What has prejudiced the establishment in New York of international banking facilities has been the fact that the stability of our currency has been questioned. Eighty per cent. of the accounts which are kept in my office in New York are kept in pounds sterling.

The international exchanges of the world are founded upon the pound sterling. Its value has not been questioned during the past century. If we are to command the confidence of the financial world, there must not be the slightest question as to the intrinsic value of the United States dollar. We must establish a reputation not only for wealth, but for wisdom and integrity. When that is done we shall see the establishment of American international banking, and New York will be justified in aspiring to become the financial centre of the world."

The closing speech was made by James H. Potts, of Troy, who spoke on "Journalism as Related to Finance."

WISCONSIN.

The Wisconsin bankers held their sixth annual convention at Milwaukee October 5. President W. K. Coffin's annual address was encouraging in tone, and gave a satisfactory report of the condition of the association, which has a membership of 168 banks.

A paper on the Negotiable Instruments Law, prepared by Frank W. Tracy, of Springfield, Ill., was read by Lawrence Olwell, in the absence of Mr. Tracy. N. B. Van Slyke, President of the First National Bank, Madison, offered a resolution, which was adopted, pledging the association to work for the passage of the law at the next session of the Legislature.

James H. Eckels, President of the Commercial National Bank, Chicago, and former Comptroller of the Currency, spoke on "The Bank and the Public." He thought the tendency of public sentiment was in the right direction and that prejudices against banks and bankers are gradually giving way to sounder views regarding this important branch of business.

The following officers were elected:

President—Frank G. Bigelow, President First National Bank, Milwaukee.

Vice-President—J. M. Holley, Cashier State Bank, La Crosse.

Treasurer—Charles C. Brown, Cashier First National Bank, Kenosha.

Secretary—C. R. Carpenter, Cashier Commercial and Savings Bank, Racine.

Executive Committee—W. J. Fisk, President First National Bank, Green Bay; C. F. Latimer, Cashier Northern National Bank, Ashland; James H. Foster, President Berlin National Bank.

Vice-Presidents for the Congressional Districts—First district, S. B. Smith, First National Bank, Janesville; second district, J. R. Goff, First National Bank, Columbus; third district, C. H. Pease, State Bank, Richland Center; fourth district, Frederick Pabst, Wisconsin National Bank, Milwaukee; fifth district, E. A. Dow, State Bank, Plymouth; sixth district, Joseph L. Fieweger, Bank of Menasha; seventh district, W. W. Warren, Warren's Bank, Tomah; eighth district, J. J. Sherman, Citizens' National Bank, Appleton; ninth district, E. C. Zimmerman, Marathon County Bank, Wausau; tenth district, William B. Banks, First National Bank, West Superior.

A banquet at the Hotel Pfister in the evening concluded a pleasant and profitable meeting of the association.

OUR FOREIGN TRADE.—The tide of international commerce turned in favor of the United States in the centennial year 1876. Prior to that date the balance of trade against us had been (beginning with 1789) $2,236,405,610. Since that date the balance of trade in our favor has been $3,091,440,952. In the eighty-seven years operation of the Government prior to that date it witnessed but sixteen occasions in which the annual balance of trade was in its favor; in the twenty-three years since that time it has witnessed but three occasions in which the annual balance of trade has been against it. In the eighty-seven years prior to 1876 the exports amounted to $12,309,653,384, an average of $141,000,000 per annum, while the imports amounted to $14,546,994, an average of $167,000,000 per annum. In the twenty-three years since 1876 the exports amounted to $18,662,344,445, an average of $811,-000,000 per annum, and the imports amounted to $15,570,903,493, an average of $677,000,000 per annum. It will thus be seen that in the twenty-three years since 1875 our exports have actually been more than fifty per cent. in excess of those of the entire eighty-seven years prior to 1876, and that the average annual exportation since 1876 has been nearly six times as much as the average annual exportation prior to that time.

A recent publication by the Treasury Bureau of Statistics, entitled "Imports and Exports of the United States and Receipts and Expenditures of the United States Government," presents the figures of our imports and exports running back to 1835, and the receipts and expenditures running back to 1856; and by supplementing these with earlier official data, the full record of the 110 years of our commerce may thus be had. Prior to 1835 there were but three occasions in which the annual exports reached $100,000,000, and but nine occasions in which the imports reached that sum, so that the years covered by the publication in question comprise themost important period of our commercial history, presenting, as it does, the figures by years from 1835 down to and including 1898, and by months from January, 1884, to August, 1898.

A detailed study of these figures presents some interesting facts regarding our commerce with other parts of the world. Prior to 1834 the exports never reached $100,000,000 annually, save in the exceptional years of 1806 and 1807, while after 1834 they never fell below the $100,000,000 line save in the exceptional year 1842. By 1853 they reached the $200,000,000 line; by 1860, the $300,000,000 line; by 1870, the $400,000,000 line; in 1873, they passed the $500,000,000 line; in 1878, they exceeded $600,000,000; in 1879, they were more than $700,000,000; in 1880, more than $800,000,000; in 1881, for the first time the $900,-000,000 figure was reached; in 1892, the billion-dollar line was for the first time crossed, and in 1898 the figures were $1,231,482,330. Thus the exports of 1898 are practically double those of 1878, four times those of 1868, and almost ten times as much as those of 1848, in which year they were $138,190,515.

The growth of imports, while necessarily great by reason of increased population, has not kept pace with that of exports, especially in the last quarter of a century. The $100,-000,000 line in the import trade was passed as early as 1801, and again in 1805, 1806 and 1807, and at intervals until 1844, when the total of $102,604,606 was followed by a rapid growth, the $200,000,000 line being passed in 1851, the $300,000,000 line in 1856, the $400,-000,000 line in 1866, the $500,000,000 line in 1871, while 1872 exceeded $600,000,000; 1882 exceeded $700,000,000 and 1891 passed the $800,000,000 line, the high-water mark of imports being reached in 1893, when the figures were $866,400,922, while the year just ended, 1898, makes a lower record of imports than any year with a single exception since 1879.

STATE BANKS—REPORTS OF SUPERVISING OFFICERS.

STATE OF VERMONT.

OFFICE OF INSPECTOR OF FINANCE,
BRATTLEBORO, VT., Sept. 1, 1898.

To the General Assembly of the State of Vermont:

In accordance with law, I herewith submit my annual report covering the sworn statement of the officers of the Savings banks, Savings institutions and trust companies, showing the condition of such institutions on June 30, 1898.

SAVINGS BANKS AND TRUST COMPANIES.—DEPOSITS AND DEPOSITORS.

The aggregate deposits in the Savings banks and trust companies, June 30 last, were $34,071,721, which was an increase for the year of $1,471,094.

$28,641,843 belongs to 95,571 resident depositors and $5,429,878 to 12,940 non-resident depositors, showing an increase for the year of 1,630 in number of resident depositors and $1,320,837 in amount of their deposits, and an increase of 712 in number of non-resident depositors, and an increase of $150,257 in amount of their deposits.

The average amount to each depositor is $313.99, an increase for the year of $6.86.

The average amount to resident depositors is $299.69, an increase of $8.86, and $419.69 to non-resident depositors, a decrease of $12.07 for the year and $24.58 for the past two years.

There are 2,569 depositors who each have over $1,500 in a bank, and the total amount of their deposits is $5,106,705, an average of $1,987.82 to each depositor, which is an increase of seventy-five in number and a decrease of $5.74 in average amount.

SURPLUS, TAXES AND EXPENSES.

The special reserve fund required by law to be set aside by the Savings banks and held to meet losses and depreciation of securities, together with the reserve of the trust companies, now amounts to $1,127,812, to which if we add all other surplus and accumulations of the Savings banks and trust companies, it makes a total of $1,764,848, a decrease for the year of $65,564.

The Savings banks and trust companies have paid taxes to the State during the year of $212,818, a decrease from preceding year of $1,263.

The expenses of the Savings banks and trust companies for the year, except taxes, were $166,816, an increase over the preceding year of $1,727, said expense averaging $4.90 for every $1,000 of deposits cared for.

DIVIDENDS.

The depositors in the Savings banks and trust companies have been credited with interest on their deposits for the year of $1,215,777. Twenty-two Savings banks have paid four per cent. (two per cent. semi-annually, which is the legal limit) per annum, one Savings bank has paid three and three-fourths per cent., one trust company has paid three per cent., one three and one-half per cent., one four and one-half per cent., and the other trust companies have paid four per cent.

On their capital stock three trust companies have paid no dividends, one has paid four per cent., eight have paid six per cent., three have paid eight per cent. and two have paid ten per cent. per annum. The total dividends to stockholders were $55,873.

INVESTMENTS.

The amount invested in mortgages of real estate in this State is $7,086,077, an increase in the year of $336,609.

Real estate mortgages elsewhere, $10,887,368, an increase of $34,581.

Personal security, $2,676,211, an increase of $1,380.

Loans with bank stock as collateral security, $249,676, an increase of $5,791.

Loans on other collateral security, $1,120,541, an increase of $10,943.

Loans to towns, villages, etc, $596,724, an increase of $50,574.

United States bonds owned, $1,841,857, an increase of $548,268.

State, city, town, village and other bonds owned, $8,394,009, a decrease of $132,871.

Real estate owned for banking purposes, $230,235, a decrease of $23,374.

Real estate acquired by foreclosure, $609,150, an increase of $45,335.

Bank stock owned, $436,452, an increase of $3,572.

Miscellaneous assets, $427,243, an increase of $56,069.

Deposits subject to check in National and other banks, $1,836,583, an increase of $318,152.

Cash on hand, $486,778, an increase of $151,407.

The percentage of assets in the several classes of investments held by all the Savings banks and trust companies from 1888 to 1898, inclusive, will be found in the following table:

	1888.	*1889.*	*1890.*	*1891.*	*1892.*	*1893.*	*1894.*	*1895.*	*1896.*	*1897.*	*1898.*
1 In public funds and loans thereon and to towns, counties and cities......	21.91	21.68	22.78	25.09	26.25	28.23	29.29	29.90	28.27	29.18	29.33
2 In bank stock and loans thereon.................	3.31	2.72	2.52	2.18	2.23	2.09	2.08	1.24	1.87	1.90	1.86
3 In mortgages of real estate in this State........	20.12	20.56	20.74	19.80	18.78	17.95	18.32	18.35	18.90	19.00	19.10
4 In mortgages of real estate elsewhere..........	36.41	37.20	35.61	34.17	33.55	33.33	31.83	31.93	31.68	30.56	29.48
5 Real estate................	1.26	1.29	1.18	1.14	1.23	1.33	1.67	1.92	2.06	2.43	2.40
6 Loans on personal security......................	9.49	9.44	9.98	10.05	9.89	10.06	8.78	8.51	8.03	7.53	7.24
7 Miscellaneous assets and on other collateral security..................	3.11	3.47	3.47	3.16	3.06	2.44	3.10	3.88	3.93	4.17	4.30
8 Deposits in banks, mainly on interest..............	3.63	2.93	3.05	3.41	4.03	3.04	3.85	3.36	3.25	4.29	4.97
9 Cash on hand.............	.76	.71	.67	1.00	.98	1.53	1.05	1.19	1.01	.94	1.32

Licenses.

The following foreign corporations, firms and individuals have been licensed to transact business in this State until December 31, next:

Investment Companies.

The Vermont Loan and Trust Company, Grand Forks, North Dakota.

Bond Houses.

Dietz, Denison & Prior, Boston, Mass., and Cleveland, Ohio.
Emerson, W. H., Boston, Mass.
Farson, Leach & Co., New York.
Gay, E. H. & Co., Boston, Mass.
Hayes, W. J. & Sons, Boston, Mass.
Jones, Edward C. & Co., New York.
Kleybolte, Rudolph & Co., Cincinnati, Ohio.
Mason, Lewis & Co., Chicago, Ill.
Morris & Whitehead, Denver Col., and Philadelphia.
Rollins, E. H. & Sons, Boston, Mass.
Stanwood, E. C. & Co., Boston, Mass.
Spitzer & Co., Boston, Mass.
The Lamprecht Brothers Co., Boston, Mass., and Cleveland, Ohio.
Trowbridge & Co., Jersey City and Chicago, Ill.

On July 6 last I assisted the State Auditor to examine the books and accounts of Hon. Henry F. Field, State Treasurer, which were found correct, with proper vouchers for all moneys expended.

On July 21 and 22 I examined the books of Hon. F. D. Hale, State Auditor, and found proper vouchers for all orders drawn on the State Treasury for the fiscal year ending June 30, 1898.

Verification of Deposit Books.

In compliance with the statute requiring me to fix a date this year for the verification of deposit books, I named the month of May and urged upon the banks the desirability of earnest endeavor to comply with the spirit as well as letter of the law. I advised not only advertising in the State papers for deposit books, but also that personal notices should be sent to all who did not respond within a reasonable time to advertisement. Seventeen banks both advertised and sent personal notices; seventeen banks advertised only, and six sent notices only.

The result was the verification of 56,128 books out of a total of 106,233, or fifty-three per cent. With the exception of one bank just organized which had out only twenty books, nineteen of which it verified, the Chester Savings Bank verified the largest percentage, verifying

1,026 out of a total of 1,093, or ninety-four per cent. Nineteen per cent. was the smallest percentage reported by any bank. The total number of errors reported was 282, mostly small items. The total cost of verification was $2,607.38.

The average percentage of verification is hardly satisfactory, but it is doubtful if better results will be secured at future verifications unless the law is made effective by the addition of some penalty for depositors who do not observe the request to bring in their books to the bank.

RECOMMENDATIONS.

The Savings banks and trust companies of the State owned July 1 last $8,894,000 municipal securities, mostly carried at par, and yielding an average of about five and one-half per cent. yearly income. These securities are rapidly approaching maturity, and at present interest rates cannot be replaced with as desirable municipal securities that will yield over four per cent. per year income. In consequence banks are gradually decreasing their line of municipal securities. It will be noticed that they have decreased $552,363 within the past two years, when they should have increased to have kept the percentage of this class of investments good. If banks would maintain their strength it seems clear that this class of securities should be increased instead of diminished, but the question many a banker is struggling with, is, how can a large percentage of securities paying only four per cent. or less be carried, seven-tenths per cent. tax paid and forty-nine one-hundredths per cent. expenses, and a four per cent. dividend rate to depositors maintained? It evidently cannot be done without purchasing foreign securities bearing high interest, which it is not the policy of the State to encourage.

That our banks may be kept in condition to purchase and hold a good line of quick assets of the nature of municipal bonds, United States Government bonds, etc., and at the same time accumulate a surplus which conservative banking seems to require, I recommend that Savings banks be limited to a dividend rate to depositors not exceeding one and three-quarters per cent. semi-annually until a surplus of fifteen per cent. of deposits is secured to meet losses and depreciation; and that trust companies be limited to a similar rate of interest on deposits, and a dividend rate to stockholders of not more than three per cent. semi-annually until a surplus be accumulated, which together with the capital stock and liability which it carries shall equal fifteen per cent. of deposits.

If it should seem that this recommendation follows too closely the limit to four per cent. made two years ago, it should be borne in mind that interest rates all over the country have suffered a radical reduction, with the strong probability that this reduction will be permanent. Savings banks throughout other States are rapidly adapting themselves to this lesser interest rate by a reduction of dividends. The Savings banks of Maine, New Hampshire, New Jersey and California average only three and one-half per cent., New York, three and forty-six one-hundredths per cent; Illinois and Louisiana, three per cent. and Michigan about two and one-half per cent.

The situation seems to have been pretty well grasped by a prominent banker of an adjoin-State who recently said: "With a Government bond issue floated on a practically two and one-half per cent. basis, with city four per cent. bonds selling on an income basis of 3.06 per cent., with mortgages negotiated at such low rates of interest as now prevail, depositors in Savings banks can hardly expect to make more interest on their deposits than the bank itself is making."

How large a permanent surplus fund should be maintained for the protection of depositors is, of course, debatable, but a careful study of the strongest Savings institutions of the country indicates that ten per cent. is not considered sufficient by many conservative bankers. It may be of service in determining this question to note the fact the Savings banks of the great States of New York and Pennsylvania have an average surplus of over thirteen per cent. of deposits and many are carrying over fifteen per cent.

Savings deposits are generally for a long time, many in youth deposit to insure against want in old age, and those having to do with Savings institutions should have especial care to the future that the hopes of depositors may not be disappointed. As the Savings banks have found the accumulations of the past of great service in maintaining satisfactory rates of dividends to depositors, so will the accumulation of a larger surplus and the ownership of high-grade, long-time municipal securities, with all premium sunk in profit and loss, help the continuance of satisfactory dividends in the future.

It is becoming quite apparent that the downward tendency of interest rates will soon make a general reduction in interest on mortgage loans within the State a necessity. As a matter of general public benefit this is not to be regretted, and would doubtless have come before this had the banks not have been obliged to do all they could to keep up those rates in order to pay dividends demanded by depositors. With five per cent. money on every hand it is only a question of a very short time when banks must drop their rates to five per cent. or not invest in Vermont mortgages. Recognizing this fact, should not such legislation be enacted as will enable the Savings banks and trust companies to take a leading position in this matter instead of being forced a little later to follow to their detriment? I believe it would be wise to pass a law allowing Savings banks and trust companies to deduct the seven-tenths per cent. tax required on deposits on all loaned upon mortgages within the State at a rate not exceeding two and one-half per cent. semi-annually. A measure of this kind seems necessary if we would not leave our banks at a disadvantage in competition with those of surrounding States. New Hampshire has such a law. Massachusetts, which taxes deposits only five-tenths per cent., authorizes *all* loans made on mortgages within the State at whatever rate to be deducted from amount of deposits taxed. New York does not tax Savings bank deposits at all, whether loaned upon mortgages or not, its Superintendent of Banking, answering in his last report a suggestion of taxation, after calling attention to the fact that the large majority of deposits of Savings banks are the few hundred dollar accounts laid aside for a rainy day, says: "While out of the abundance of the rich so little is taken, shall the State wrest from the poor a percentage of the little that is their all?"

Should it appear that a law exempting Vermont five per cent. mortgages from taxation would deprive the State of needed income, such loss could doubtless be largely made good by removing some of the present restrictions on the amount that Savings banks may take on deposit.

The double taxation problem with which many Legislatures have wrestled, but none ever solved, would be practically settled by the passage of the law proposed, as mortgages within the State are or should be largely held by the Savings banks.

To keep in touch with the business of a bank and promptly detect changes in its condition, examinations should be made as often as once in six months. This fact is recognized in the National Banking Department, and semi-annual examinations required, but no provision exists under our State law for more than an annual examination of the State banks. This should be remedied, as a great deal can happen within a year.

Respectfully submitted,

HOSEA MANN, *Inspector of Finance.*

WISCONSIN.

To Hon. Edward Scofield, Governor of Wisconsin:

SIR:—I have the honor to submit herewith the sixth semi-annual report of this office, exhibiting the financial condition of the State, private and Savings banks of Wisconsin, at the close of business, May 5, 1898, as tabulated from the reports made to this office.

CHANGES SINCE LAST REPORT.

New State banks—Tobacco Exchange Bank, Edgerton, capital, $35,000; State Bank of Lodi, Lodi, capital, $25,000; The Sauk Bank, Prairie du Sac, capital, $25,000; The State Bank, Reedsburg, capital, $30,000.

New private banks—Durand Deposit Bank, Durand, capital, $5,000; The Bank of Mellen, Mellen, capital, $1,929; the Bank of Oakfield, Oakfield, capital, none; Bank of Sun Prairie, Sun Prairie, capital, $10,000; The Superior Bank, Superior, capital, $5,000; Farmers and Merchants' Bank, Waterloo, capital, $2,000.

Ceased business—State banks—Clark County Bank, Neillsville; Mayville Exchange Bank, Mayville. Private banks—Glidden Exchange Bank, Glidden.

Changed to State bank—The Sauk Bank, Prairie du Sac.

The total number of banks in operation on the date mentioned was 247, with aggregate resources and liabilities as follows:

RESOURCES.	
Loans and discounts	$29,351,143
Unpaid capital	668,950
Overdrafts	612,507
Banking house, furniture and fixtures	1,364,160
Other real estate	1,451,649
Bonds, stocks and securities	8,050,820
Cash items	115,734
Checks on other banks	395,524
Due from banks and bankers	10,231,353
United States and national currency on hand	1,877,744
Gold coin	1,476,533
Silver and subsidiary coin	261,555
Loss and expense account	211,841
Other resources	79,968
Total	$51,149,486

LIABILITIES.	
Capital stock	$7,951,394
Surplus fund	1,575,921
Undivided profits	1,090,064
Due depositors on demand	22,870,501
Due depositors on time	16,039,620
Due to banks and bankers	1,215,614
Dividends unpaid	4,899
Certified checks	44,114
Cashiers' checks outstanding	91,134
Bills re-discounted	57.496
Bills payable	61,069
Due to others	147,689
Total	$51,149,486

COMPARISON WITH PREVIOUS REPORTS.

Compared with the number and condition of the banks reporting on November 6, 1897, the following increase is shown:

INCREASE IN	State banks.	Private banks.	Savings banks.	Totals.
Resources	$3,337,612	$1,185,480	$32,853	$4,555,946
Loans and discounts	1,652,406	548,490	8,642	2,209,539
Capital	55,000	*10,990	None.	44,009
Surplus and profits	*147,966	*52,695	418	*200,243
Deposits	3,480,351	1,173,710	32,434	4,686,496
Available cash	602,450	607,058	3,134	1,212,643
Number of banks	2	4	......	6

* Decrease.

The cash reserve, although large (thirty-five and $\frac{44}{100}$ per cent. of total deposits) shows a slight decrease since last report.

An unusually large increase of deposits is shown, the aggregate being $4,686,496, the largest increase within the same period of time since the organization of this office.

EDWARD I. KIDD, *Bank Examiner*.

Failures, Suspensions and Liquidations.

Indiana.—Phillip Matter, Receiver of the Farmers and Merchants' Bank, at Fairmount, which failed in 1896, owing to inability to realize on paper given by the Fairmount Land and Improvement Association, recently paid the final dividend to creditors. The bank had a capital of $50,000 and deposits of $100,000 at the time of the failure, and there was little promise of saving anything from the wreck. Good times and good management have paid all depositors and nearly all of the capital stock.

Nebraska.—The First National Bank, of Neligh, was closed by a bank examiner on October 19. It owed depositors $108,000 and $10,000 borrowed money.

New York.—The Tioga National Bank, of Owego, closed October 18 as a result of embezzlements by E. W. Stone, Assistant Cashier of the bank, amounting to about $40,000.

The bank was organized in 1865, its officers being: Senator Thomas C. Platt, President; F. E. Platt, Cashier, and E. W. Stone, Assistant Cashier.

Immediately following the discovery of the defalcation, the death of Mr. Stone was announced.

Announcement is made that the bank will resume business.

North Carolina.—Guirkin & Co., bankers, at Elizabeth City, suspended October 19, making an assignment to James Brooke. Liabilities aside from the capital are about $87,000, and the assets $57,000. Loans on real estate amount to $20,000.

Ohio.—The Second National Bank, of Springfield, it is reported, has decided to go into voluntary liquidation. It is solvent, and has a surplus of $120,000, but a falling off in business had so decreased the earnings that it was thought advisable to liquidate.

—The First National Bank, of Lisbon, was closed by a bank examiner on October 22, as a result of an investigation which showed the Cashier to be an embezzler to the amount of about $40,000.

—The First National Bank, of Flushing, was closed by the Comptroller of the Currency on November 5.

Pennsylvania.—PITTSBURG.—The German National Bank closed on October 19, owing to heavy losses on bad loans. As previously stated in the MAGAZINE, the bank had lately reduced its surplus from $500,000 to $250,000. Individual deposits were about $1,700,000. A temporary Receiver was appointed on November 4.

Tennessee.—A recent sale of the remaining assets of the Commercial National Bank, Nashville, which failed in 1893, will finally wind up the affairs of that bank. This sale will enable the Receiver to pay a dividend of one per cent. or more, making in addition to those previously paid, seventy-one per cent.

Much credit is due Receiver James W. Blackmore and W. B. Frierson for the able manner in which they have wound up the affairs of the bank, in view of the difficulties that have surrounded them.

OPEN LETTERS FROM BANKERS.

AN INTERCHANGE OF OPINION BY READERS OF THE MAGAZINE.

EXPORTS OF GOLD COIN AND BULLION.

Editor Bankers' Magazine:

SIR:—A brief communication entitled "Increasing the Circulation of Gold," which was first printed in the July issue of the BANKERS' MAGAZINE, has attracted more notice in the daily press, both in the form of editorials and in reprints of the salient points of the arguments, than was anticipated by the writer.

It was stated in the original article that "the course of trade with foreign countries is not influenced in any appreciable degree by the particular denominations of the gold coins struck in this country," also that gold bars, which have been assayed and stamped at the United States Mints and Assay Offices, are used to a considerable extent in place of coin for export; but it was contended, nevertheless, that the issuing of double eagles in very large excess of other denominations facilitated the export of American gold coin to foreign countries.

The New York "Journal of Commerce" takes exception to these views and says:

"The currents of commerce that have taken any large quantities of gold out of the country would not have been perceptibly affected by the paucity of double eagles and the abundance of quarter eagles. Bars are the favorite form of export."

In view of this latter statement, somewhat didactically expressed, it will be interesting to ascertain what proportion of American gold is exported in the form of bars and what proportion is exported in the form of United States coin.

The Annual Report of the Director of the Mint for the fiscal year ended June 30, 1896, issued in 1897, contains statistics which throw a flood of light on this subject when focussed thereon. The report states that in 1896 "domestic gold bullion (bars) bearing the stamp of a United States Mint or Assay Office, of the value of $25,844,358 was exported during the fiscal year. * * * Domestic gold coin to the value of $77,789,892 was exported. * * * Other domestic gold bullion to the value of $8,199,279 was exported."

Elsewhere in the same report it is shown that the value of domestic gold coins returned to the United States was $10,189,614. The report also contains a table of imports and exports of United States gold coin covering twenty-six consecutive fiscal years, viz., from 1871 to 1896 inclusive. The total value of imports of domestic gold coin during this period of years is $149,000,390, while the total value of domestic gold coin exported in that time is $767,835,941, making an excess of exports over imports of $618,835,551. In other words the exports of American gold coin were more than five times the value of the imports.

The following table, compiled from the official statistics, shows the exports of gold coin and gold bullion during the past seven years; the term "bullion" includes gold bars bearing a stamp of a United States Mint or Assay Office, other domestic bullion, gold in copper matte, gold in foreign base bullion reëxported, foreign bullion reëxported, and foreign gold coin reëxported.

YEARS.	*U. S. gold coin exported.*	*Gold bullion exported.*
1891	$67,704,900	$18,757,980
1892	42,841,963	7,463,570
1893	101,844,087	7,122,568
1894	64,303,840	12,858,388
1895	55,096,639	11,405,497
1896	77,789,892	34,622,573
1897	23,646,565	16,765,584
Total	$433,227,886	$108,996,160

In 1896 domestic gold was made into bars at the Mints and Assay Offices to the value of $53,248,528.79, and the value of the bars exported was, in round figures, $25,000,000. In the same year the gold coinage of the United States amounted to $58,878,490, and the exports of gold coin amounted, in round numbers, to $77,000,000.

These facts corroborate the statements made in the communication published in the July issue of the BANKERS' MAGAZINE, and prove that the "Journal of Commerce" is incorrect in its statements.

ALEX. E. OUTERBRIDGE, JR.

GERMANTOWN, PHILADELPHIA.

COLLECTION OF COUNTRY CHECKS.

Editor Bankers' Magazine:

SIR:—Referring to the subject of collecting country checks, I beg to offer a suggestion which may not be without merit.

I would suggest that on the back of each country check, near the top, be placed the names of the bank's reserve agents.

To illustrate the plan: Most banks in New England have a correspondent in Boston and New York. The First National Bank in Bangor has as its correspondents the National Bank of Commerce, New York, and the First National Bank, of Boston. Suppose Smith, a customer of the First National Bank, Bangor, mails his check to Jones in New York. Jones deposits the check in the Chase National Bank. The Chase National Bank lists the country checks for which it is not a correspondent on slips similar to the regular clearing-house method, and at a stated time delivers to the National Bank of Commerce, at the clearing-house, the check of Smith on the First National Bank, Bangor, with others, and receives from the National Bank of Commerce country checks for which it is the correspondent. On the second day after the exchange the balance is paid by the debtor.

All items on banks east of the Mississippi River could be settled this way. Items of far Western points could be settled, say, on the fourth day after exchange.

The National Bank of Commerce charges the account of the First National Bank of Bangor the second day after the exchange. If Smith's check had come from Albany, N. Y., to the Chase National Bank, and there were not funds to pay it, the Bangor bank could return it to the Albany bank, notifying the National Bank of Commerce, and making claim.

Of course agreement to a plan of this kind between the banks would be necessary.

As to the oft-mooted question as to whether due diligence in presentation has been used, there would be less doubt.

The present arrangements between neighboring banks at a distance from the reserve agents should not be interfered with: for a New York city bank would not feel justified in collecting the Rochester items for its Syracuse correspondent.

There may be a number of reasons why a plan of this kind is impracticable of which I am ignorant, and I can readily see that some of the banks which charge the higher rates for collecting would certainly object to it.

I would appreciate the courtesy of any banker who will show me the defects in a plan of this nature.

ALBERT S. COX.

October 13, 1898.

[Opinions on the plan proposed by Mr. Cox are invited for publication in the BANKERS' MAGAZINE.—*Editor.*]

EARLY AMERICAN BANKING.

Editor Bankers' Magazine:

SIR:—In the history of banking, as in everything else, considerable interest attaches to the point of beginning. The Bank of North America, at Philadelphia, organized to assist the Government during the War of Independence, is admitted to be the first bank in the United States, but it is not generally known that Thomas Paine was the man in whose brain the bank was born, and who was the first subscriber to its stock.

He had a great faculty of "starting things," and unlike many of our later-day promoters, his projects were nearly all successful and still exist as proof of his foresight. Several of his iron bridges are said to be still in use in England and France, although the first ever built.

In the report of the Comptroller of the Currency (Mr. Knox) for 1876 we find the following:

"The institution had its origin, as a banking company without charter, in a meeting of citizens of Philadelphia on June 17, 1780, at which it was resolved to open a security subscription to the amount of three hundred thousand pounds, Pennsylvania currency, in real money; the intention being to supply the army, at the time reported by Washington to be destitute of the common necessaries of life and on the verge of mutiny. Thomas Paine, then clerk of the Pennsylvania Assembly, suggested a subscription, in a letter to Mr. Blair McClenaghan, in which he enclosed a contribution of \$500 to the fund, the latter gentleman and Robert Morris each subscribing £200 in hard money."

Thus we see that Thomas Paine was the father of banking in the United States, although

Robert Morris became at once interested and carried the project forward to a successful termination. There is no doubt that the whole popular movement for the organization of a bank was managed by Paine, and that he secured the support of Congress, which was given only four days after the Philadelphia meeting.

The people of the present day can afford to do justice to the memory of Thomas Paine. His pamphlet, "The Age of Reason," which caused him to be so unpopular, would not be considered radical now. He would be considered a fairly good Unitarian at the present time. Therefore, all cause for prejudice against him has been removed by the softening influences of Time, while his good work for the cause of Freedom shines brighter as the years go by. A careful study of the incidents in the life of Thomas Paine will be found quite interesting, but his connection with the first bank, as the promoter and first subscriber, may be considered important to those who are interested in the history of banking in the United States.

WAMEGO, Kans., Oct. 8. A. T. MCMILLAN.

EXPENSE IN MAKING COLLECTIONS.

Editor Bankers' Magazine:

SIR:—A few days ago we handled in the regular course of business the following collection item.

The Red Cross Vinegar Co. of St. Louis, Mo., sent us for collection their draft on McLemore & Son of Delta, La., for $9.75. I give below a detailed statement of the cost incurred in handling this item in postage and revenue stamps. This will perhaps be interesting to those who have not taken the trouble to calculate it.

Postage on letter from Red Cross Vinegar Co., enclosing collection	.02
Revenue stamp on draft of Red Cross Vinegar Co. on McLemore & Son	.02
Postal card from this bank notifying McLemore & Son of collection	.01
Postage on letter from McLemore & Son enclosing us in payment of collecting their check on Delta Trust and Banking Co. of Vicksburg Miss	.02
Revenue stamp on check of McLemore & Son on Delta Trust and Banking Co.	.02
Postage on letter from this bank to Delta Trust and Banking Co., Vicksburg, forwarding them for collection check of McLemore & Son	.02
Postage on letter from Delta Trust and Banking Co., Vicksburg, to this bank making return from check of McLemore & Son	.02
Revenue stamp on remittance from Delta Trust and Banking Co., their draft on New Orleans, La	.02
Postage on our letter forwarding this draft to our New Orleans correspondent for credit of this bank	.02
Postage on letter from our New Orleans correspondent advising us of credit of this item	.02
Postage on our letter to McLemore & Son, Delta, La., in forwarding them the paid draft of Red Cross Vinegar Co	.02
Postage on our letter to Red Cross Vinegar Co., St. Louis, in remitting them for the collection of this draft on McLemore & Son	.02
Revenue stamp on our St. Louis draft sent to Red Cross Vinegar Co., in payment of collection on McLemore & Son	.02
Total	.25

This is by no means an unusual case. We have just such transactions almost daily. The above expense is divided as follows: Red Cross Vinegar Co., 4 cents; McLemore & Son, 4 cents; this bank, 11 cents: Delta Trust and Banking Co., Vicksburg, 4 cents; our New Orleans correspondent, 2 cents. Yours very truly,

MONROE, La., October 6. T. E. FLOURNOY.

Prominent Lawyer and Ex-Banker.—Attention is invited to the professional card of Clarence M. Kellogg, Denver, Colo., to be found in the Selected List of Lawyers published elsewhere in this issue.

In addition to being an attorney of high reputation in commercial and general practice, Mr. Kellogg is an experienced banker, having been for ten years connected with the Bank of Galesville, Wis., and for eight years Cashier and Manager of the bank. On his voluntary retirement from the position in July, 1896, the directors unanimously passed a resolution expressing the highest appreciation of his services and testifying to his worth as a citizen and business man.

Mr. Kellogg's qualifications and experience certainly give him an advantage in handling legal or commercial business for banking institutions.

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.

—J. Edward Simmons, President of the Fourth National Bank, and ex-President of the New York Clearing-House Association, has been elected a director of the Metropolitan Trust Co.

—Alfred Van Santvoord resigned recently as Vice-President of the Lincoln National Bank, and was succeeded by E. V. W. Rossiter, Treasurer of the New York Central and Hudson River Railroad Co.

—The governing committee of the clearing-house has amended Rule 9 of the "Rules for Clearing" by striking out all after the word "Saturday" in the second paragraph, inserting in lieu thereof the following:

Whenever, in the opinion of a majority of the clearing-house committee, the delivery of a sheet has been unreasonably delayed beyond the stated hour, a fine not exceeding $250 may be imposed, after the delinquent has had an opportunity to be heard.

—Sergeant Frank R. Pidgeon and Corporal Walter L. Garrigues, both of Company D., Seventy-first Regiment, two employees of the Chase National Bank who enlisted in the war against Spain, visited the bank recently, and handsome gold watches, the gifts of the officers and clerks of the bank, were presented to them. The bank has granted them leave of absence for as long a period as may be necessary for their complete restoration to health, and will also increase their salaries.

—Forrest Raynor has been appointed an additional National bank examiner for this city, in consequence of the recent order of the Comptroller of the Currency providing for semi-annual examination of banks. Mr. Raynor is now private secretary of the Secretary of the Interior and has had an extensive bank and business experience, having been for six years the credit man and collector of the Fourth National Bank.

—A meeting of the Council of Administration of the New York State Bankers' Association was held at the Hotel Manhattan October 29. The principal business transacted was the determination of the subject for the consideration of the groups during the ensuing year, reports on which are to be presented at the next annual meeting. After some discussion it was decided that the groups should consider the taxation of banks relatively to that of other personal property, the methods of its assessment, collection, etc. The groups are required to procure statistics and other data on the subject in their respective localities. The answers which may be received will be compared, and if it is thought advisable the next session of the Legislature will be asked to correct existing inequalities.

Last summer, when Mr. Hepburn retired from the presidency of the association, a handsome gold and silver (bimetallic) mounted gavel was presented to him as a mark of the esteem in which he was held by the association, and in return for the efficient and energetic way in which he had fulfilled the duties of the office. Mr. Hepburn was the fourth occupant of the office, and he regarded the honor thus conferred upon him (the first president to be so honored) as a somewhat invidious distinction. On his motion, therefore, it was ordered that similar gavels be presented to his predecessors in office, W. C. Cornwell of Buffalo, James G. Cannon of this city, and Judge Dexter of Elmira, and that similar mementoes be given to future presidents on their retirement from office.

—At a meeting of the stockholders of the Plaza Bank, October 11, the number of directors was increased from thirteen to twenty-one, by the addition of the following names: Stuyvesant Fish, Charles Scribner, Edward E. Poor, August Belmont, Richard Delafield, John Jacob Astor, George F. Vietor, and Hermann Oelrichs. The former officers were re-elected. The new directors are also members of the board of the National Park Bank, a fact which will give a strong impetus to the business of the Plaza Bank.

—A recent quotation of Chemical National Bank shares was at $4,000; the par value is $100.

—Deposits of the State banks in the borough of Manhattan are now $140,800,000 and total resources, $200,000,000.

—The Stock Exchange has purchased the property at 16 and 18 New St., paying therefor $825,000, equivalent to about $213 per square foot.

—Recently in the U. S. Circuit Court Judge Lacombe decided that Bank Examiner Kimball, in charge of the Tradesmen's National Bank, is not a temporary Receiver, and that there is nothing to prevent the Sheriff from making a levy on the assets of a National bank under a judgment when a National bank examiner is in charge and no Receiver has been appointed by the Comptroller of the Currency.

[Mr. Kimball has since been appointed temporary Receiver of the bank.]

—W. W. Sherman, President of the National Bank of Commerce, who broke his hip on July 26 last by a fall on the swimming float at his summer home at Belle Haven, Conn., returned to his desk at the bank October 13. Many friends called to congratulate him on his recovery.

—At a meeting of the directors of the Mechanics and Traders' Bank, October 21, Vice-President Leo Schlesinger was elected President to succeed Fernando Baltes. Mr. Baltes had been unfortunate in some of his investments, and this fact becoming known, a run on the bank followed; all demands were met promptly and the run was soon over. An investigation by a bank examiner showed the bank to be solvent. Isaac Stiebel was elected Vice-President, to fill the vacancy caused by the promotion of Mr. Schlesinger.

—Jonathan B. Curry, Secretary of the Metropolitan Savings Bank, has been elected President, to succeed William Burrell, deceased.

—Wm. Travers Gray has been admitted to the firm of Howard Lapsley & Co.

—Lewis Pierson, who was discount clerk of the Hanover National Bank, was recently elected Cashier of the New York National Exchange Bank, in place of Isaac Howland, resigned. This is one of the changes resulting from the late transfer of stock of the bank to interests connected with the Hanover National, as previously reported.

NEW ENGLAND STATES.

Boston.—The Tremont National Bank will go into liquidation, transferring its good will and business to the Eliot National.

The Tremont National was incorporated in 1814, and was the sixth oldest bank in the city. Its capitalization was formerly $2,000,000, but it was reduced to $1,000,000 a couple of years ago. Its surplus fund is now about $121,000. William J. Mandell, Cashier of the Tremont, will become Assistant Cashier of the Eliot, but the executive staff of the Eliot, it is understood, will remain unchanged.

The Eliot National was incorporated in 1853, and has a capital of $1,000,000 and a surplus of about $500,000. Its loans and discounts on September 20 aggregated $4,580,000, and its individual deposits were $2,773,000.

—The Shawmut National Bank has been reorganized as the National Shawmut Bank, with $3,000,000 capital and $1,500,000 surplus. This is the successor to the nine banks which it has been decided to put in liquidation. The President of the new bank will be Mr. James P. Stearns, the Vice-President of the present Shawmut National Bank, and he will take with him as directors of the new bank, in addition to himself, four of the directors of the present Shawmut National Bank and its entire clerical force.

—In a recent issue of the "Evening Transcript," Henry Parkman, chairman of the Savings Banks Committee, made the following statement of why it had been thought necessary to consolidate a number of the National banks of the city:

"Of the $50,000,000 capital of the Boston National banks, about $20,000,000 is held in the names of the Savings banks of Massachusetts. In these Savings banks, by the last Commissioners' report, there were 1,384,329 open accounts, and it is these depositors who really own that $20,000,000 of National bank stock. It is the first duty of the trustees of these Savings banks to see that the principal of the money committed to their charge remains intact; the question of the amount of interest or dividends on an investment is, or ought to be, a secondary consideration, as compared with the safety of the principal, and it is for that reason that the statutes of Massachusetts have wisely limited the range of investments. For several years those in charge of the Savings banks have seen that the market value of the bank stocks in which a portion of their money was invested was gradually but surely depreciating. Under these circumstances it was their duty to see, if possible, what were the reasons, to endeavor to arrest them if possible, and to take such steps as might seem advisable to recover as nearly as possible the principal of the money which they or their predecessors had invested in such securities.

The following figures of the market values of the shares of the various banks for a series of years was one consideration, and perhaps I may say again that the question of dividends had minor consideration, but the point chiefly considered was the question of the preservation of the principal:

COMPARATIVE MARKET VALUES, FROM 1875 TO 1898, OF THE SHARES OF NINE NATIONAL BANKS PROPOSED TO BE LIQUIDATED.

	Jan. 1, 1875.	*Jan. 1, 1880.*	*Jan. 1, 1885.*	*Jan. 1, 1890.*	*Jan. 1, 1895.*	*Last sale previous to Sept. 21, 1898.*
Boston	125	110	113⅛	122	100⅛	87¼
Columbian	139½	144¼	135	121	108½	84⅞
Hamilton	128½	131	128¼	122	111	102
Howard	115	114	112¾	110	97	85¼
Market	114½	104	90¼	100	85	65
Eagle	124¼	112	110¼	105½	80	76
North America	118¼	106⅛	105	120	115	90¼
Revere	122	117	121	124	96	80
North	136¾	126	119⅝	129	114⅛	90

An average decline of over forty points in the market values of the shares of these various banks, with small possibility of any great recuperation, owing to the present low rates of interest, seemed to justify some decided action to protect the interests of depositors. Moreover, we find that the total surplus and undivided profits of these nine banks has fallen since October, 1888 nearly $468,000."

—J. Adams Brown, paying teller of the Howard National Bank, has been elected Cashier of the Central National Bank, succeeding Charles H. Frye, deceased.

—Messrs. Poor & Greenough, of New York, have also established a house in this city.

—The Hamilton National Bank, one of the institutions proposed for liquidation by the Savings Bank Syndicate, has obtained a new charter, and will continue business with $500,000 capital.

—Reports are current of various other bank consolidations and reorganizations, but as many of these reports appear to be nothing but vague rumors, a mention of the names of the banks does not seem to be warranted.

—Announcement is made that the Lincoln National will liquidate through the Central National.

—Chandler Robbins has resigned as Cashier of the Howard National Bank to become Assistant Cashier of the National Bank of the Republic.

Examination of Corporations.—In Massachusetts every corporation having a capital of $100,000 and over, incorporated under the Laws of Massachusetts, is obliged to have as often as once a year an expert, chartered accountant, selected by three stockholders who are not directors, to examine the books of the corporation and send same to the Commissioner of Corporations of the State of Massachusetts for record.

This is certainly a good law and ought to be generally adopted. Banks which make loans on corporation paper would be spared many losses if this law were in force in all the States.

MIDDLE STATES.

Utica, N. Y.—Henry R. Williams, who has been teller and Assistant Cashier of the First National Bank, was elected Cashier on October 18 to fill the vacancy caused by the death of John A. Goodale. Mr. Williams has served the bank faithfully for twenty-two years, and his promotion is well deserved. Wm. C. Wright, who has been an efficient bookkeeper for a long time, was made teller.

Bank Recovers Old Claim.—At Hollidaysburg, Pa., on October 25, a verdict for $30,548.99 was recorded against the Ætna Mining Company on a suit brought by the banking house of Gardiner, Morrow & Co. to recover on an overdrawn bank account twelve years old.

Pittsburg, Pa.—Permission has been given the Dime Savings Bank to change its title to Western Savings and Deposit Bank.

—Stockholders of the Third National Bank voted on October 10 to reduce the capital stock from $500,000 to $250,000.

New York State Banks.—The latest official reports of the State banks of the State of New York show individual deposits, $221,970,000, and total resources, $331,506,000.

SOUTHERN STATES.

Atlanta, Ga.—The Bates-Farley Savings Bank, it is reported, will change its name to the Bank of Commerce.

—Efforts are being made to have Atlanta designated a reserve city for National banks.

Texas Bank to Reorganize.—The Fannin County Bank, Bonham, Tex., will change its form of organization from a State to a National bank.

Renewal of Bank Charter.—The stockholders of the Savannah (Ga.) Bank and Trust Company have authorized the President of the bank to make application to the Secretary of State for a renewal of its charter for a period of thirty years. That was the period for which it was originally chartered, and its present charter expires March 4, 1899. This is the oldest State bank in Georgia.

New Southern Banks.—The Augusta, Ga., Loan and Trust Co. has been organized with $5,000 capital.

—On October 1 the Bank of Crawfordville, Ga., opened for business with $25,000 capital, which was subscribed by residents of the county.

—Application for authority to organize the Calcasieu National Bank of Lake Charles, La., with a capital of $100,000, has been approved by the Comptroller.

—A bank is in prospect at Bishopville, S. C.

—W. J. Cherry and others are interested in a new bank at Rock Hill, S. C., which will have $80,000 capital.

—There is talk of a new $100,000 bank at Chattanooga, Tenn.

—Clarksville, Tenn., is to have a new bank, operated by R. D. Moseley and others.

—R. E. Stafford & Co. have established a banking business at San Antonio, Tex., with I. T. Pryor as Manager.

—The First National Bank is being organized at Hampton, Va., with $50,000 capital.

—A new bank is reported at Georgetown, Tex., under the management of J. L. Booty.

—J. W. Sawyer and others have organized the Citizens' Bank at Elizabeth City, N. C.

—Gayles Bros., of Owensboro, Ky., have undertaken to organize the Second National Bank at Abingdon, Va.

WESTERN STATES.

A Bank's New Quarters.—The building owned by the Boulder (Colo.) National Bank has been put in charge of contractors, who will completely remodel it for the occupancy of the bank on January 1. When completed the bank will have offices of modern elegance and convenience which will rank favorably with any in the State. The largely increased business compelled the move from the present quarters, which have become inadequate for the demands of the institution.

Prosperity in Iowa.—The quarterly statement of the condition of the State and Savings banks in Iowa recently completed by Auditor of State McCarthy, shows total deposits of $61,506,858. This is an increase of $2,170,000 over the preceding quarter; the increase over the deposits reported a year and a quarter ago is $16,000,000.

Kansas City, Mo.—On October 7 the Kansas City, Mo., bank clearings broke all previous records. They were $3,079,014, as compared with $2,616,494 a year ago, an increase of nearly 18 per cent. The total bank clearings exceeded any other day since the clearing-house was established.

Chicago.—The Bank of Commerce, a State institution with $500,000 capital and $1,000,000 deposits, has voted to go into liquidation. Its deposits and an equivalent amount of bills receivable will be taken over by the Union National Bank, and the affairs of the Bank of Commerce will be wound up and the proceeds paid the stockholders.

Minnesota Bank Reorganized.—The bank at New Richland, Minn., is reported to have been reorganized, and a new bank will also be opened.

Des Moines, Ia.—It is reported that a plan is under consideration for consolidating the business of the German Savings Bank with the Iowa National Bank.

Louisville, Ky.—At a recent meeting of the directors of the Farmers and Drovers' Bank, of this city, W. N. Haldeman resigned as President of the bank, because of his inability to give proper time and attention to the duties of the position. R. S. Veech, a director, and formerly President, was chosen as his successor.

—Owing to the high taxes exacted from banks in this State, the Louisville Banking Company is contemplating a reduction of its capital from $500,000 to $250,000, and also a change from a State to a National bank.

Kentucky Banks Unite.—It is reported that J. R. Rice & Co., of Pineville, Ky., have purchased the First National Bank at that place, and that the business of the latter, as a separate institution, will be liquidated.

Omaha Exposition Closed.—The Trans-Mississippi Exposition, which has been in progress at Omaha, Neb., for several months past, closed on October 31. The exposition has proved a financial success. A little less than $2,000,000 represents the receipts, while the exposition cost about $1,450,000. This leaves something like $400,000 surplus to be divided among the stockholders. The attendance was 2,625,898.

New Western Banks.—Walkerton, Ind., is to have a new State bank; capital, $25,000.

—The Sheldahl (Iowa) Savings Bank was incorporated on October 18 with $10,000 capital.

—The Delta (Iowa) Savings Bank is a new institution, capitalized at $15,000.

—McPherson, Kans., has a new bank—the People's State—with $15,000 capital.

—On October 15 the Bank of Wingo, Ky., filed articles of incorporation with $15,000 capital.

—Holly, Mich., is to have a new Savings bank.

—The Sheffield Banking Co. began business at Burr Oak, Mich., October 15.

—Montrose, Mich., expects to have a new bank soon.

—J. K. Hannay, of Minneapolis, is reported as the manager of a new bank at St. Hilaire, Minn.

PACIFIC SLOPE.

Seattle, Wash.—At a recent monthly meeting of the board of directors of the First National Bank, James D. Hoge, Jr., was chosen President, succeeding Maurice McMicken, who becomes Vice-President.

The new President was until a short time ago the principal owner of the "Post Intelligencer," one of the leading Pacific Coast newspapers. After disposing of his newspaper interests, Mr. Hoge made a journey around the world for rest and recreation. On his return he and his friends secured a controlling interest in the bank. He is considered to be one of the most successful of Seattle's young business men. Lester Turner, who has been the efficient Cashier of the First National for the past ten years, will continue to act in that capacity.

New Bank in Idaho.—Messrs. J. G. and Hiram W. Gray, of Salt Lake, will establish a new bank at Mountainhome, Idaho.

Salt Lake City, Utah.—At a meeting of the board of directors of the Utah National Bank, October 17, Hon. James Chipman was elected President, in place of J. M. Stoutt, resigned. Henry W. Brown was elected Vice-President in place of P. L. Williams.

Mr. Chipman, the new President, is Treasurer of the State of Utah, proprietor of the Bank of American Fork, President of the Chipman Mercantile Co., and is one of the best-known and wealthiest men in the State.

Henry W. Brown, the new Vice-President, is prominently identified with the mining interests of the State, being one of the original incorporators of the great Mercur Gold Mining Co.

The Utah National reports good business and an encouraging outlook ahead.

CANADA.

Rumors of a New Bank.—It is rumored that a new bank will be established at Ottawa, certain electric railways taking a controlling interest.

Additional Branches.—The Bank of Toronto will locate a branch at Rossland, B. C.

—A branch of the Bank of Ottawa has been opened at Montreal.

—It is announced that the Bank of Nova Scotia will establish a branch at Winnipeg under the management of C. A. Kennedy, former manager of the branch at Yarmouth, Nova Scotia.

Canadian Bankers' Association.—The annual meeting of this association was held at Toronto on October 26.

The election of officers resulted as follows: President, Thomas McDougall, General Manager Quebec Bank; Vice-Presidents, D. Coulson, Bank of Toronto; H. Stikeman, Bank of British North America; George Burn, Bank of Ottawa.

Montreal.—The recent annual meeting of Molsons Bank showed earnings of 12.95 on capital and 7.40 on capital and rest combined. No addition was made to reserve, but $81,000 was carried forward. This is more than sufficient to meet the loss which the bank sustained by the late robbery of $62,000 at Winnipeg, which is offset by $40,000 of the notes being in a non-negotiable form, so that the actual loss cannot exceed $22,000.

Rate of Interest Reduced.—The Bank of Nova Scotia on November 1 reduced its Savings bank rate of interest from 3½ to 3 per cent.

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.

5144—First National Bank, Dresden, Ohio. Capital, $50,000.
5145—National Bank of Sidney. Sidney, Iowa. Capital $60,000.
5146—Fannin County National Bank, Bonham, Texas. Capital, $100,000.
5147—Juniata Valley National Bank, Mifflintown, Pennsylvania. Capital, $60,000.
5148—Lewes National Bank, Lewes, Delaware, Capital, $50,000.
5149—First National Bank, Milford, Illinois. Capital, $50,000.
5150—First National Bank, Abingdon, Virginia. 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, Hampton, Va.; by J. W. Rowe, *et al.*
First National Bank, Sayre, Pa.; by H. J. Meixell, *et al.*
First National Bank, Globe, Ariz.; by S. P. Young, *et al.*
National Shawmut Bank, Boston, Mass.; by James P. Stearns, *et al.*
American National Bank, Mason City, Iowa; by J. H. McConlogue, *et al.*
National Hamilton Bank, Boston, Mass.: by Geo. W. Newhall, *et al.*
People's National Bank, Warrensburg, Mo.; by A. J. Redford, *et al.*

NEW BANKS, BANKERS, ETC.

CALIFORNIA.

LOS ANGELES—King Loan and Trust Co.: capital, $50,000.

DELAWARE.

LEWES—Lewes National Bank: capital, $50,000; Pres., John F. Sippel; Vice-Pres., David W. Burrage; Cas., Walter Sparklin.

ILLINOIS.

ANNAWAN—Bank of Annawan.

KINMUNDY—Bank of Richard P. McBryde.

MILFORD—First National Bank; capital, $50,000; Pres., Jno. L. Donovan; Cas., Horace Russell.

WAVERLY—First State Bank; organizing.

INDIANA.

DE KALB—De Kalb Bank; Cas., G. T. Abbey.

TIPTON - State Bank; capital, $25,000; Pres., Wm. J. Miner; Vice-Pres., M. V. B. Newcomer; Cas., F. E. Davis; Asst. Cas., Lewis Seright.

INDIAN TERRITORY.

LEHIGH—Bank of Lehigh; capital, $10,000; Pres., F. R. Phillips; Vice-Pres., L. A. Conner; Cas., Boone Williams.

IOWA.

BRADDYVILLE—People's Bank; capital, $5,000: Pres., J. F. Large; Vice-Pres., T. E. Fordyce; Cas., C. I. Hain.

CRYSTAL LAKE—First State Bank; capital, $2,500; Pres., J. Little; Cas., E. C. Haga.

ELKPORT—Bank of Elkport; capital, $10,000; Cas., A. C. Tiede; Asst. Cas., J. C. Beck.

FORT ATKINSON—First City Bank; capital, $25,000; Pres., E. F. Dunlap; Cas., F. T. Miller.

GALT—State Savings Bank; Pres., A. Richard; Vice-Pres., H. Knuths; Cas., J. J. McGuire.

KNOWLTON—Knowlton Bank; capital, $10,000; Pres., E. T. Dufur; Cas., F. E. Dufur.

PIONEER Farmers' Bank; capital, $10,000; Pres., John F. Shaible; Cas., M. M. Heptonstall.

SHELDAHL—Sheldahl Savings Bank; capital, $10,000; Pres., W. D. Schaal; Vice-Pres., Walter Frick; Cas., R. F. Graeber.

SIDNEY—National Bank of Sidney (successor to Metelman & Frazer); capital, $60,000; Pres., A. F. Metelman; Cas., W. T. Frazer.

TRURO—Truro Bank; Pres. W. M. Steer; Cas., J. W. Likens.

LOUISIANA.

LAKE CHARLES—Calcasieu National Bank (successor to Calcasieu Bank); capital, $100,000; Pres., H. C. Drew; Cas., Frank Roberts.

MASSACHUSETTS.

BOSTON—Curtis & Sederquist, 53 State Street.
—Poor & Greenough.

MICHIGAN.

GRAND MARAIS—Lake Superior Bank; Pres. and Cas., R. W. Hewitt; Asst. Cas., C. H. Meyers.

PONTIAC—Pontiac Savings Bank; capital,

$50,000; Pres., B. F. Elwood; Vice-Pres., D. J. Hammond; Cas., D. H. Power.

MINNESOTA.

BREWSTER—Bank of Brewster; Pres., C. W. Patterson; Cas., S. M. Stewart.

DULUTH—Isaiah H. Bradford.

DUNDEE—Bank of Dundee; capital, $10,000.

FERGUS FALLS—Barrows Deposit and Loan Bank (F. G. Barrows).

HECTOR—Farmers and Merchants' Bank; capital, $10,000; Pres., W. Smalley; Vice-Pres., W. B. Strom; Cas., C. H. Freeman; Asst. Cas., W. D. Griffith.

MENAHGA—Bank of Menahga; Pres., T. G. Mealey: Cas., C. R. Goselee.

NEW RICHLAND—State Bank; capital, $20,000; Pres., Christopher Wagner; Vice-Pres., P. O. Sundee; Cas. H. R. Johnson. ——People's Bank; organizing.

ROUND LAKE—Bank of Round Lake; capital, $8,000; Pres., Jno. W. Cravens; Vice-Pres., L. Stoltenberg; Cas., Charles W. Flint.

SHELLEY—Bank of Shelley; Pres., O. C. Sarles; Cas., E. G. Sarles; Asst. Cas., J. W. G. Anderson.

ST. HILAIRE—Bank of St. Hilaire (Hanney & Co.).

VERNON CENTER—Vernon Center Bank; Pres., H. Quimby; Cas., A. E. Quimby.

MISSISSIPPI.

ROSEDALE—Valley Bank; capital, $25,000; Pres., D. Reinach; Cas., W. B. Roberts; Asst. Cas., J. L. Wilson.

MISSOURI.

RAVENWOOD—Plett Valley Bank (successor to Bentley & Joy); capital, $5,000; Pres., A. G. Bentley; Cas., J. C. Fryar.

NORTH CAROLINA.

CARTHAGE—Bank of Carthage: capital, $20,000; Pres., W. W. Wills; Vice-Pres., W. T. Jones; Cas., William Hayes.

ELIZABETH CITY—Citizens' Bank; capital, $25,000; Pres., O. McMullan.

NORTH DAKOTA.

CONWAY—Bank of Conway (John Birkholz).

NEW ROCKFORD—Eddy County State Bank; capital, $6,000; Pres., P. J. Hester; Cas., E. R. Davidson.

OHIO.

DRESDEN—First National Bank; capital, $50,000; Pres., J. G. Stump; Vice-Pres., J. S. Prettyman; Cas., C. S. Littick.

GAMBIER—Gambier Savings Bank Co.; Pres., H. N. Hills; Cas., U. S. Lybarger.

MIDDLEPORT—Middleport Bank; capital, $10,000; Pres., Griff Michael; Cas., R. C. Fox; Asst. Cas., F. E. Bolton.

SABINA—Commercial Bank; Pres., C. R. Ellis; Vice-Pres., W. J. Oglesbee; Cas., A. H. Sparks.

SHERWOOD—Sherwood Banking Co.; capital, $25,000.

OKLAHOMA.

MCLOUD—State Bank; capital, $5,000; Pres., Thomas Hollis; Cas., L. B. Hiliker.

MEDFORD—Medford State Bank; capital, $5,000; Pres., John T. Stewart; Vice-Pres., R. L. Hall; Cas., T. T. Godfrey.

OREGON.

ELGIN—Bank of Elgin: Pres., D. B. Hendricks; Cas., J. B. Thornson.

SOUTH CAROLINA.

ROCK HILL—Commercial and Farmers' Bank; capital, $80,000; Pres., A. H. White; Vice-Pres., A. E. Smith; Cas., R. Lee Kerr; Asst. Cas., George D. White.

SOUTH DAKOTA.

GANN VALLEY—Dye & Hill.

WHITE—Bank of White (successor to Citizens' Exchange Bank); capital, $15,000; Pres., N. H. Holden; Cas., R. H. Holden.

TEXAS.

BONHAM—Fannin County National Bank (successor to Fannin County Bank); capital, $100,000; Pres., W. W. Russell; Vice-Pres., J. T. Kennedy; Cas., J. W. Russell; Asst. Cas., C. L. Bradford.

MANOR—Bank of Manor (F. B. Owen).

VIRGINIA.

ABINGDON—First National Bank; capital, $50,000; Pres., J. W. Bell; Cas., W. W. Webb.

WASHINGTON.

PUYALLUP—J. T. Gear; capital, $10,000.

WISCONSIN.

LAKE NEBAGEMAIN—Bank of Lake Nebagemain; capital, $10,000; Pres., R. A. Steckbauer; Vice-Pres., Byron Ripley; Cas., Ed Hunter.

CANADA.

ONTARIO.

BURFORD—Allen D. Muir.

DRUMBO—McMahon & Co.; capital, $10,000.

EGANVILLE—Merchants' Bank of Canada.

JARVIS—Bank of Hamilton.

BRITISH COLUMBIA.

GREENWOOD—Bank of British North America.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

MONTGOMERY—First National Bank; no Cas.

CALIFORNIA.

BERKELEY—Commercial Bank; A. W. Naylor, Pres. in place of F. K. Shattuck, deceased.——Berkeley Bank of Savings; A. W. Naylor, Pres. in place of F. K. Shattuck, deceased; F. L. Naylor, Cas.

LOS ANGELES—Los Angeles National Bank; Geo. H. Bonebrake, Pres., deceased; W. C. Patterson, Cas. in place of F. C. Howes, deceased; R. W. Kenny appointed an additional Asst. Cas.

PASADENA—Pasadena National Bank; M. E. Wood, Vice-Pres. in place of Mortimer Ayers.

CONNECTICUT.

MIDDLETOWN—Central National Bank; no Pres. in place of A. C. Markham, deceased; Oliver Markham, Vice-Pres.

NEW HAVEN—Mechanics' Bank; Thomas R. Trowbridge, director, deceased.

NEWTOWN—Newtown Savings Bank; Aaron Sanford, Pres. in place of John B. Beck; Arthur T. Nettleton, Treasurer in place of Charles H. Northrop.

PUTNAM—Thompson National Bank; Wm. H. Putnam, Cas. in place of Charles Arnold, retired.

WATERBURY—G. S. Parsons & Co. (in hands of Receivers); G. S. Parsons, deceased.——Dime Savings Bank; Otis S. Northrop, Treas. in place of G. S. Parsons, deceased.

DISTRICT OF COLUMBIA.

WASHINGTON—Traders' National Bank; J. Fendall Cain, Asst. Cas. in place of John G. Muir.——Citizens' National Bank; N. H. Shea, Vice-Pres. in place of Thomas Somerville, deceased.

GEORGIA.

ATLANTA—Bates-Farley Savings Bank; reported changed title to Bank of Commerce.

RUTLEDGE—Bank of Rutledge; capital, $25,-000; W. P. Wallace, Pres.; Edward Hutcheson, Cas.

ILLINOIS.

BELLEVILLE—First National Bank; Charles Becker, Act. Cas. during absence of Cas.

CHICAGO—Commercial Trust Company; business absorbed by Royal Trust Company.

ELGIN—Elgin National Bank; Edward C. Lovell, Pres. in place of M. H. Thompson.

HARRISBURG—First National Bank; C. T. Willis, Cas. in place of F. T. Joyner; no Asst. Cas. in place of C. T. Willis.

MOUNT STERLING—First National Bank; corporate existence extended until October 28, 1918.

INDIANA.

EVANSVILLE—Old National Bank; John Gilbert, Pres., in place of Samuel Bayard, deceased; R. K. Dunkerson, Vice-Pres., in place of John Gilbert.

FLORA—Farmers' Bank; sold out to Edward Kitzmiller.

LAPORTE—First National Bank; Frank J. Pitner, Cas. in place of Robert E. Morrison; F. H. Morrison, Asst. Cas. in place of Frank J. Pitner.

MONTPELIER—Farmers' Deposit Bank; J. H. Shoemaker, Pres. in place of John P. McGeath; D. A. Bryson, Cas.

IOWA.

ALVORD—Alvord Bank (successor to Alvord Savings Bank); C. S. Bennett, Cas.

CEDAR RAPIDS—Security Savings Bank; capital increased from $50,000 to $75,000.

DELTA—Delta Savings Bank; capital, $15,000; J. R. Dunn, Pres.; G. H. Brainard, Vice-Pres.; J. C. Reed, Cas.

GREENE—Soesbe, Shepardson & Co.; Harry E. Soesbe, resigned.

MASON CITY—Commercial Savings Bank; Harry E. Soesbe, Asst. Cas.

OAKVILLE—Oakville State Savings Bank; S. E. Gates, Pres. in place of C. A. Brown.

STORM LAKE—First National Bank; A. H. Waitt, Cas., resigned.

KANSAS.

MCPHERSON—People's State Bank; capital, $15,000; F. A. Vaniman, Pres.; Chauncey Vaniman, Cas.

KENTUCKY.

EMINENCE—Deposit Bank; capital stock decreased from $100,000 to $50,000.

LOUISVILLE—Farmers and Drovers' Bank; R. S. Veech, Pres. in place of W. N. Haldeman, resigned.——Columbia Finance and Trust Co.; G. A. Owen, director, deceased.

PINEVILLE—First National Bank; succeeded by J. R. Rice & Co.

SOMERSET—First National Bank; James A. McGee, Cas., deceased.

LOUISIANA.

BATON ROUGE—First National Bank; Charles J. Reddy, Pres. in place of Wm. Garig; Robert A. Hart, Vice-Pres. in place of Charles J. Reddy.

PLAQUEMINE—Bank of Plaquemine; W. I. Harrell, Cas. in place of Geo. T. Dunlap, deceased.

MAINE.

NORTH BERWICK—North Berwick National Bank; Charles W. Greenleaf, Cas., deceased.

WATERVILLE—Waterville Savings Bank; Reuben Foster, Pres., deceased.

WEST BUXTON—Buxton & Hollis Savings Bank; Thomas Tarbox, Pres., deceased.

MARYLAND.

BALTIMORE—Economy Savings Bank; Frederick Walpert, Pres., deceased.——American National Bank; Marshall W. Harden, elected director in place of Frederick Walpert, deceased.

CRISFIELD—Bank of Crisfield; G. T. Atkinson, Pres. in place of Clarence Hodson, resigned.

MASSACHUSETTS.

BOSTON—Howard National Bank; Chandler Robbins, Cas., resigned.——National Bank of the Republic; Chandler Robbins, Asst. Cas.——Central National Bank; J. Adams Brown, Cas., in place of Charles H. Frye, deceased.

LOWELL—First National Bank; William H. Parker, Pres., deceased.

NEWTON—Newton Savings Bank; Charles T. Pulsifer, Pres., in place of J. F. C. Hyde, deceased; John Ward, Vice-Pres.

NORTHBORO—Northborough National Bank; W. J. Potter, Pres. in place of Samuel

Wood, deceased; E. H. Bigelow, Cas. in place of W. J. Potter.

MICHIGAN.

ESCANABA—First National Bank; no Vice-Pres. in place of C. C. Royce; C. C. Royce, Cas.

MISSOURI.

ST. LOUIS—German Savings Institution; Fred W. Meister, Pres., deceased.

NEBRASKA.

CREIGHTON—Security Bank; H. A. Cheney, Pres. in place of Geo. E. Cheney, deceased.

LEXINGTON—Dawson County National Bank; no Asst. Cas. in place of Frank L. Fox.

WAHOO—First National Bank; Chas. Perky, Pres. in place of Chas. P. Beebe.

NEW HAMPSHIRE.

LANCASTER—Lancaster National Bank; G. M. Stevens, Vice-Pres.

NEWPORT—First National Bank; Seth M. Richards, Pres. in place of Dexter Richards, deceased; no Vice-Pres. in place of Seth M. Richards.

NEW JERSEY.

TRENTON—First National Bank; Charles Whitehead, Cas., deceased.

NEW YORK.

ADDISON—Bank of Addison; David B. Winton, Pres., deceased.

BROOKLYN—Brooklyn Trust Co.; Edwin F. Knowlton, director, deceased.

CLYDE—Briggs National Bank; W. A. Hunt, Vice-Pres., in place of W. S. Hunt, deceased; E. B. Palmer, Asst. Cas., in place of W. A. Hunt.

ELLENVILLE.—Home National Bank; George F. Andrews, Cas., in place of George H. Smith, deceased.

LITTLE FALLS—National Herkimer County Bank; corporate existence extended until October 14, 1918.

NEW YORK—Mechanics and Traders' Bank; Leo Schlesinger, Pres., in place of Fernando Baltes; Isaac Stiebel, Vice-Pres.——New York National Exchange Bank; James Rowland, Pres., in place of D. R. Halstead; Frank S. Hyatt, Vice-Pres., in place of William H. Albro; Lewis E. Pierson, Cas., in place of Isaac Howland: no Asst. Cas. in place of Fred Halstead.——Lincoln National Bank; E. V. W. Rossiter, first Vice-Pres. and director, in place of Alfred Van Santvoord, resigned.——Twelfth Ward Savings Bank; title changed to Empire City Savings Bank.——Plaza Bank; additional directors elected as follows: Stuyvesant Fish, Charles Scribner, Edward E. Poor, August Belmont, Richard Delafield, John Jacob Astor, George F. Vietor and Hermann Oelrichs.——Metropolitan Savings Bank; Jonathan B. Currey, Pres., in place of William Burrell, deceased.——Metropolitan Trust Co.; J. Edward Simmons, elected director.——Lloyd & Co.; Joseph P. Lloyd, Jr., deceased.——Fourth National Bank; Frederick Mead, director, deceased.——Matthews, Bean & Co.; succeeded by Matthews, Grange & Co.——Howard Lapsley & Co.; William Travers Gray admitted to firm October 15.

SAG HARBOR.—Sag Harbor Savings Bank; Henry P. Hedges, Pres., resigned; David P. Vail, Sec. and Treas., resigned.

UTICA—First National Bank; Henry R. Williams, Cas., in place of Jno. A. Goodale, deceased; no Asst. Cas. in place of Henry R. Williams.

WEST WINFIELD—First National Bank; Alonzo Wood, Pres., deceased.

OHIO.

CADIZ—First National Bank; W. S. Cessna, Cas., in place of I. C. Moore; W. W. Potts, Asst. Cas., in place of W. S. Cessna.

CLEVELAND—Guardian Trust Co.; Loftus Cuddy, elected director in place of Alfred A. Pope.

MIAMISBURG—First National Bank; H. G. Catrow, Cas., in place of W. A. Black; Charles F. Eck, Asst. Cas.

PENNSYLVANIA.

DUSHORE—First National Bank; B. W. Jennings, Pres., in place of F. B. Pomeroy, deceased.

CALIFORNIA—First National Bank; A. B. Ledwith, Cas., in place of O. J. Miller.

HANOVER—First National Bank; John H. Alleman, Cas., deceased; W. D. Carver, Asst. and Acting Cas.

PHILADELPHIA—National Security Bank; Peter A. Schemm, elected director.

PITTSBURG—Citizens' National Bank; Andrew D. Smith, director, deceased.

SHAMOKIN—Guarantee Trust and Safe Deposit Banking Co.; Harry L. Leam, Cas., in place of S. R. Russell, resigned.

RHODE ISLAND.

NEWPORT—New England Commercial Bank; James C. Swan, Pres., deceased.

WOONSOCKET—People's Savings Bank; Alphonso W. Buckland, Pres., in place of Joseph E. Cole, deceased.

SOUTH CAROLINA.

SUMTER—First National Bank; R. L. Edmunds, Cas., in place of L. S. Carson.

TENNESSEE.

CLARKSVILLE—First National Bank; J. M. Macrae, Pres. in place of B. W. Macrae; E. B. Ely, Vice-Pres.; Wesley Drane, Cas. in place of R. D. Mosely; no Asst. Cas. in place of J. M. Macrae.——Northern Bank of Tennessee; H. P. Pickering, Cas. in place of Ed. S. Munford.

MEMPHIS—National Bank of Commerce: J. T. Fargason, Pres. in place of S. H. Dunscomb, deceased.

UTAH.

SALT LAKE CITY—Utah National Bank; James Chipman, Pres. in place of J. M.

Stoutt, resigned: Henry W. Brown, Vice-Pres. in place of P. L. Williams.——Salt Lake Valley Loan and Trust Co.; Sam J. Kenyon, Sec. and Treas., deceased.

VERMONT.

BARTON—Barton National Bank; L. J. Harriman, Cas. in place of H. K. Dewey.

VIRGINIA.

HARRISONBURG—First National Bank; J. Wilton, Pres. in place of Philo Bradley.

RICHMOND—Virginia Trust Co.; Thomas Potts, director, deceased.

WASHINGTON.

SEATTLE—First National Bank; James D. Hoge, Jr., Pres. in place of Maurice McMickens; Maurice McMickens, Vice-Pres.

WISCONSIN.

ANTIGO—First National Bank; J. D. Steffen, Vice-Pres.

ASHLAND—Ashland National Bank; Thomas Bardon, Pres. in place of Richard B. Bates; R. B. Bates, Cas. in place of N. I. Willey; C. E. Street, Asst. Cas.

CANADA.

ONTARIO.

ALEXANDRIA—Bank of Ottawa; H. Swan, Mgr.

ARNPRIOR—Bank of Ottawa; Gerald Jarvis, Mgr. in place of Francis Cole.

KEEWATIN—Bank of Ottawa; John Hood, Mgr.

NAPANEE—Dominion Bank; T. H. Hill, Mgr. in place of A. Pepler.

PARRY SOUND—Bank of Ottawa; H. Y. Complin, Mgr. in place of Gerald Jarvis.

TORONTO—Dominion Bank; A. Pepler, Mgr.——Union Bank; J. O. Buchanan, Mgr., resigned.——Bank of Ottawa; Francis Cole, Mgr.

MANITOBA.

GRETNA—Union Bank of Canada; J. Siegel, Mgr.

NOVA SCOTIA.

KENTVILLE—Union Bank of Halifax; Sydenham J. Howe, Mgr.

SHERBROOKE—Union Bank of Halifax; W. Montgomery, Mgr. in place of S. J. Howe.

STELLARTON—Bank of Nova Scotia; John Mowat, Mgr.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

CONNECTICUT.

WATERBURY—G. S. Parsons & Co.; in hands of J. S. Elton and H. S. Chase, Receivers.

ILLINOIS.

CHICAGO—Bank of Commerce; in voluntary liquidation.——Municipal Investment Co.; in liquidation.

STONEFORT—Stonefort Bank.

INDIAN TERRITORY.

TULSA—People's Bank.

MASSACHUSETTS.

ASHBURNHAM—First National Bank; in voluntary liquidation Oct. 4.

BOSTON—Tremont National Bank; business transferred to Eliot National Bank.——Lincoln National Bank; business transferred to Central National Bank.——Fuller, Harding & Co.; in hands of Collin Armstrong, Receiver.

NEBRASKA.

NELIGH—First National Bank; in hands of Howard J. Whitmore, Receiver.

NEW YORK.

CARTHAGE—First National Bank; in hands of Josiah Van Vranken, Receiver.

DELHI—Delaware National Bank; in hands of Edw. J. Graham, Receiver.

NEW YORK—Tradesmen's National Bank; Wm. H. Kimball, Receiver.

OWEGO—Tioga National Bank.

NORTH CAROLINA.

ELIZABETH CITY—Guirkin & Co.; assigned to James Brooke.

TARBORO—Citizens' Bank.

OHIO.

FLUSHING—First National Bank; in hands of James W. De Lay, Receiver, Nov. 5.

LISBON—First National Bank of New Lisbon; in hands of I. B. Cameron, Receiver, Nov. 3.

SPRINGFIELD—Second National Bank; in voluntary liquidation October 29.

PENNSYLVANIA.

PITTSBURG—German National Bank in hands of Hugh Young, Receiver.

VIRGINIA.

LUNENBURG—Bank of Mecklenburg (branch); discontinued.

New Counterfeit $2 Silver Certificate.—Check letter D, series 1896, J. Fount Tillman, Register, D. N. Morgan, Treasurer, small red seal. This counterfeit is printed from etched plates, crudely executed, and the printing is so bad as to make it unnecessary to point out imperfections in detail. The seal on the note can hardly be seen. The back of note is blue instead of green. The numbering is fair both as to color and formation. The paper used is very poor quality, almost double the thickness of the genuine, and no attempt has been made to imitate the silk fibre.

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 call on September 20, 1898. These are published below in conjunction with the two preceding statements of May 5, 1898, and July 14, 1898. 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.	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*
Loans and discounts	$396,948,326	$451,996,171	$441,706,555
Overdrafts	217,995	98,958	118,691
U. S. bonds to secure circulation	17,570,000	17,420,000	17,970,000
U. S. bonds to secure U. S. deposits	12,341,000	31,788,000	44,993,700
U. S. bonds on hand	886,200	234,950	2,370,370
Premiums on U. S. bonds	3,065,821	3,945,298	3,635,962
Stocks, securities, etc	48,681,103	57,014,856	56,511,022
Banking house, furniture and fixtures	14,602,223	14,572,769	14,567,454
Other real estate and mortgages owned	1,951,013	1,920,054	1,911,338
Due from National banks (not reserve agents)	28,333,790	32,481,546	32,782,042
Due from State banks and bankers	5,663,495	5,414,986	5,552,886
Due from approved reserve agents	......	......	......
Checks and other cash items	4,819,847	2,783,862	3,053,869
Exchanges for clearing-house	85,924,948	56,616,354	64,946,267
Bills of other National banks	911,698	974,459	1,0[illegible],659
Fractional paper currency, nickels and cents	58,308	56,199	63,895
*Lawful money reserve in bank, viz.:			
Gold coin	24,017,818	19,682,681	16,151,731
Gold Treasury certificates	6,812,270	7,070,830	6,831,860
Gold clearing-house certificates	105,907,000	118,270,000	85,920,000
Silver dollars	104,089	103,683	190,612
Silver Treasury certificates	4,171,617	6,734,511	4,995,114
Silver fractional coin	527,220	545,238	475,868
Legal-tender notes	25,655,515	33,222,956	31,265,585
U. S. certificates of deposit for legal-tender notes	9,590,000	8,980,000	6,950,000
Five per cent. redemption fund with Treasurer	768,257	781,650	792,900
Due from U. S. Treasurer	870,057	1,468,822	1,013,137
Total	$799,898,682	$874,123,838	$845,791,464

LIABILITIES.	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*
Capital stock paid in	$48,900,000	$48,700,000	$48,700,000
Surplus fund	43,051,500	43,041,000	43,041,000
Undivided profits, less expenses and taxes paid	18,275,898	17,896,245	18,706,831
National bank notes issued, less amount on hand	15,038,097	14,924,417	15,410,587
State bank notes outstanding	16,556	16,556	16,556
Due to other National banks	186,998,940	218,852,968	199,810,191
Due to State banks and bankers	86,034,256	93,495,586	92,416,782
Dividends unpaid	151,537	211,443	115,900
Individual deposits	386,405,341	398,960,653	367,750,384
U. S. deposits	11,026,988	30,855,254	40,860,072
Deposits of U. S. disbursing officers	356,928	1,068,574	814,368
Notes and bills rediscounted	44,715	......	......
Bills payable	50,000	100,000	200,000
Liabilities other than those above stated	3,547,972	15,981,184	19,449,390
Total	$799,898,682	$874,123,838	$845,791,464
Average reserve held	32.27 p. c.	30.68 p. c.	25.77 p. c.
* **Total lawful money reserve**	$176,785,094	$194,609,899	$152,780,770

	ALBANY, N. Y.			BALTIMORE, MD.			BOSTON, MASS.		
RESOURCES.	*May 5, 1898.*	*July 14, 1898.*	*Sept. 18, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*
Loans and discounts	$8,607,871	$8,668,736	$8,650,460	$35,829,496	$35,298,864	$34,440,066	$156,628,874	$161,165,619	$166,968,052
Overdrafts	1,884	2,588	6,409	30,150	29,911	43,459	59,058	115,778	100,261
U. S. bonds to secure circulation	300,000	300,000	350,000	1,985,000	2,655,000	2,698,500	6,997,000	7,252,000	7,077,000
U. S. bonds to secure U. S. deposits	50,000	100,000	150,100	202,000	518,000	1,828,200	847,000	859,000	3,442,500
U. S. bonds on hand	......	......	158,000	500	500	164,040	57,000	779,000	184,500
Premiums on U. S. bonds	22,000	33,750	86,998	174,504	288,175	328,599	341,082	332,445	357,436
Stocks, securities, etc	1,129,428	1,102,067	1,068,122	2,965,617	2,414,752	2,150,843	8,129,425	9,068,541	9,536,627
Banking house, furniture and fixtures	295,000	296,250	296,250	2,169,380	2,329,828	2,335,623	2,391,962	2,392,956	2,391,817
Other real estate and mortgages owned	90,615	90,615	89,571	218,092	217,581	217,522	400,485	441,999	444,444
Due from National banks (not reserve agents)	1,217,069	1,518,883	1,239,631	2,211,465	2,561,418	2,796,588	15,622,536	14,463,767	13,143,365
Due from State banks and bankers	551,611	1,214,041	595,572	397,477	496,641	482,612	686,872	949,980	1,146,052
Due from approved reserve agents	3,566,723	2,636,745	2,120,972	3,838,663	5,728,132	5,071,770	29,492,474	36,563,980	34,119,276
Checks and other cash items	62,087	65,044	93,452	129,476	213,662	145,921	325,596	505,380	388,835
Exchanges for clearing-house	155,298	100,399	105,875	1,840,056	1,498,816	1,866,963	8,523,181	7,954,479	12,622,509
Bills of other National banks	54,489	77,739	51,158	141,145	199,417	197,367	884,060	1,012,280	1,054,669
Fractional paper currency, nickels and cents	1,315	2,289	1,225	17,705	16,346	12,035	22,645	21,183	19,452
*Lawful money reserve in bank, viz.:									
Gold coin	497,627	535,677	549,372	1,625,906	1,696,555	1,064,771	6,288,554	5,722,987	4,902,814
Gold Treasury certificates	334,420	330,920	330,750	327,230	355,820	423,720	1,395,420	1,562,980	1,553,720
Gold clearing-house certificates	......	......	......	......	20,000	205,000	4,560,000	6,295,000	8,765,000
Silver dollars	18,414	19,957	17,566	61,054	70,844	52,295	65,207	60,583	53,033
Silver Treasury certificates	35,235	34,417	31,618	1,234,871	1,078,932	1,176,170	1,744,041	1,800,066	2,063,919
Silver fractional coin	19,119	14,017	16,539	90,439	87,802	69,891	152,920	163,179	129,698
Legal-tender notes	365,068	431,278	367,810	840,710	680,223	1,027,099	5,982,827	4,956,237	5,679,766
U. S. certificates of deposit for legal-tenders	......	......	......	1,055,000	920,000	810,000	240,000	160,000	220,000
Five per cent. redemption fund with Treas..	13,500	13,500	15,750	88,575	119,475	121,432	314,085	325,946	315,945
Due from U. S. Treasurer	770	5,600	......	5,405	196,165	20,892	88,879	1,208,061	145,874
Total	$17,389,564	$17,584,438	$16,342,701	$57,494,916	$59,691,887	$59,750,286	$251,581,040	$266,183,202	$276,810,578
LIABILITIES.									
Capital stock paid in	$1,550,000	$1,550,000	$1,550,000	$13,243,260	$13,243,260	$13,243,260	$48,550,000	$48,150,000	$48,150,000
Surplus fund	1,380,000	1,390,000	1,390,000	5,184,100	5,195,875	5,195,875	14,802,825	14,741,325	14,492,375
Undiv. profits, less expenses and taxes paid..	194,833	187,491	191,496	1,288,681	984,846	1,186,253	4,709,157	5,558,779	6,848,246
National bank notes issued, less am't on hand	264,390	259,280	301,760	1,766,860	2,365,790	2,384,180	6,192,582	6,404,120	6,250,302
State bank notes outstanding	......	......	......	4,604	4,604	4,504	......	......	......
Due to other National banks	3,783,589	3,694,290	3,776,594	7,094,842	7,252,867	7,048,506	33,031,595	41,554,197	42,244,244
Due to State banks and bankers	1,993,229	1,897,058	1,705,770	1,819,210	2,066,834	2,148,290	18,077,960	21,235,738	21,715,816
Dividends unpaid	3,878	2,841	581	65,857	181,566	95,985	46,434	27,369	27,658
Individual deposits	8,147,904	8,481,743	7,257,254	26,441,812	27,328,976	26,873,361	124,023,745	126,916,600	133,910,955
U. S. deposits	42,677	81,170	142,716	220,687	615,535	1,378,507	204,668	462,456	2,832,168
Deposits of U. S. disbursing officers	7,822	18,829	4,788	......	......	......	54,632	47,235	61,106
Notes and bills rediscounted	21,738	21,738	21,738	......	......	......	......	......	......
Bills payable	......	......	......	365,000	355,000	100,000	1,258,966	926,811	504,747
Liabilities other than those above stated	......	......	......	......	96,731	141,560	628,470	118,567	272,955
Total	$17,389,564	$17,584,438	$16,342,701	$57,494,916	$59,691,887	$59,750,286	$251,581,040	$266,183,202	$276,810,578
Average reserve held	40.42 p. c.	35.64 p. c.	31.66 p. c.	29.49 p. c.	32.91 p. c.	31.12 p. c.	33.47 p. c.	34.74 p. c.	33.46 p. c.
*Total lawful money reserve	$1,269,904	$1,366,267	$1,313,155	$5,235,207	$4,910,177	$4,828,826	$20,824,970	$20,720,982	$23,387,450

	BROOKLYN, N. Y.			CHICAGO, ILL.			CINCINNATI, OHIO.		
RESOURCES.	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*
Loans and discounts	$11,581,423	$12,017,306	$10,965,608	$105,355,843	$107,216,641	$105,867,207	$24,186,455	$23,876,514	$23,694,837
Overdrafts	1,142	1,658	1,022	389,884	161,718	238,751	12,114	19,383	13,884
U. S. bonds to secure circulation	642,000	642,000	642,000	1,150,000	1,300,000	1,630,000	5,594,000	5,027,500	4,961,500
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	550,000	550,000	843,000	1,225,000	2,195 000	2,447,500
U. S. bonds on hand	......	......	9,000	267,000	306,000	449,190	2,237,050	688,850	818,550
Premiums on U. S. bonds	30,250	29,875	29,500	75,000	88,875	79,747	1,182,584	926,550	900,615
Stocks, securities, etc.	2,647,690	2,641,999	2,575,828	8,258,395	9,193,422	9,000,764	4,475,558	4,758,520	5,546,097
Banking house, furniture and fixtures	600,754	600,254	601,804	819,525	806,194	795,694	476,399	478,174	508,192
Other real estate and mortgages owned	92,500	92,500	98,151	706,808	678,706	728,241	187,114	205,404	206,358
Due from National banks (not reserve agents)	62,196	57,149	77,078	22,104,832	23,995,372	26,237,868	3,148,664	4,088,836	3,778,246
Due from State banks and bankers	128,810	228,486	167,893	7,747,504	5,128,058	7,646,991	621,598	779,586	582,783
Due from approved reserve agents	3,608,245	3,014,968	2,416,856	......	......	......	5,021,401	6,755,827	6,300,278
Checks and other cash items	187,165	67,649	78,419	188,136	292,712	189,088	140,099	148,770	208,774
Exchanges for clearing-house	1,261,139	801,918	906,245	6,554,765	5,085,716	6,273,961	229,474	298,530	358,392
Bills of other National Banks	155,178	187,392	151,714	1,490,332	1,499,049	1,394,188	446,758	848,598	477,622
Fractional paper currency, nickels and cents	9,850	8,295	8,516	20,818	32,569	22,543	4,510	5,022	6,594
*Lawful money reserve in bank, viz.:									
Gold coin	564,068	840,810	702,244	16,056,787	16,848,226	17,408,484	1,111,653	1,188,681	1,268,278
Gold Treasury certificates	168,000	178,000	178,700	3,276,280	3,097,050	3,189,970	294,400	304,120	307,300
Gold clearing-house certificates	......	......	540,000	......	......	......	......	......	......
Silver dollars	16,000	18,000	19,000	182,897	208,657	196,102	71,978	62,861	60,274
Silver Treasury certificates	656,608	816,981	686,387	3,064,362	3,578,556	3,851,853	788,120	552,777	604,916
Silver fractional coin	78,751	88,728	53,895	207,806	228,687	192,263	24,844	24,516	24,261
Legal-tender notes	1,059,878	1,309,236	886,554	18,021,619	14,707,568	15,219,615	2,707,717	1,878,996	2,112,288
U. S. certificates of deposit for legal-tenders	......	......	......	2,715,000	2,120,000	1,320,000	690,000	620,000	610,000
Five per cent. redemption fund with Treas.	28,010	27,180	28,890	47,250	49,500	71,100	251,730	223,487	214,987
Due from U. S. Treasurer	2,950	30,770	1,050	78,523	575,019	282,658	666	209,310	2,458
Total	$23,683,108	$23,846,142	$21,965,855	$199,226,316	$197,947,788	$202,064,229	$55,024,881	$55,055,264	$56,024,877
LIABILITIES.									
Capital stock paid in	$1,252,000	$1,252,000	$1,252,000	$18,950,000	$19,450,000	$19,450,000	$7,800,000	$7,700,000	$7,700,000
Surplus fund	2,280,000	2,300,000	2,300,000	9,247,400	9,374,900	9,874,900	2,765,000	2,715,000	2,715,000
Undiv. profits, less expenses and taxes paid	445,423	360,799	406,382	2,361,279	1,962,225	2,818,187	907,593	1,021,198	1,156,647
National bank notes issued, less am't on hand	574,750	572,960	560,960	558,045	539,065	1,029,255	4,765,780	4,205,460	4,292,735
State bank notes outstanding	1,846	1,846	1,846	......	......	......	......	......	......
Due to other National banks	408,160	400,421	316,436	52,511,460	55,182,048	55,009,506	10,829,794	9,776,472	9,515,712
Due to State banks and bankers	888,192	459,976	447,809	30,387,500	30,085,589	30,165,462	4,841,950	4,778,578	4,880,848
Dividends unpaid	793	4,987	1,058	6,023	21,480	7,438	123,449	6,572	1,917
Individual deposits	18,060,311	18,170,658	16,859,236	84,651,530	80,565,624	84,006,658	21,827,280	22,078,184	22,558,500
U. S. deposits	168,890	171,844	174,728	492,718	588,278	627,054	980,590	1,865,802	2,277,415
Deposits of U. S. disbursing officers	30,329	27,725	25,276	65,858	21,077	80,771	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	26,219	22,963	20,651	......	12,500	......	683,500	918,000	981,100
Total	$23,683,108	$23,846,142	$21,965,855	$199,226,316	$197,747,788	$202,064,229	$55,024,881	$55,055,264	$56,024,877
Average reserve held	35.52 p. c.	34.92 p. c.	34.06 p. c.	33.46 p. c.	31.25 p. c.	31.47 p. c.	32.41 p. c.	35.18 p. c.	33.84 p. c.
* Total lawful money reserve	$2,542,806	$3,246,755	$3,011,781	$43,524,700	$40,788,694	$40,328,288	$5,638,707	$4,626,952	$4,987,818

	CLEVELAND, OHIO.			DES MOINES, IOWA.			DETROIT, MICH.		
RESOURCES.	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*
Loans and discounts	$29,674,913	$30,255,845	$30,757,784	$3,058,949	$3,420,118	$3,217,478	$15,691,302	$14,956,828	$14,711,565
Overdrafts	29,407	25,810	29,335	28,816	16,288	28,318	1,636	2,884	2,395
U. S. bonds to secure circulation	1,480,000	1,480,000	1,580,000	343,000	343,000	348,000	1,200,000	1,400,000	1,400,000
U. S. bonds to secure U. S. deposits	60,000	60,000	60,000	......	50,000	100,000	300,000	300,000	700,000
U. S. bonds on hand	200,000	200,500	717,300	100,000	50,000	321,400	229,300	100,000	156,200
Premiums on U. S. bonds	84,450	83,995	84,007	32,375	81,875	32,050	216,242	205,367	223,154
Stocks, securities, etc	851,556	853,419	848,982	272,688	260,516	326,971	414,297	428,487	396,419
Banking house, furniture and fixtures	506,104	506,184	506,283	143,541	143,541	143,541	31,088	30,538	30,538
Other real estate and mortgages owned	210,752	210,718	210,718	98,917	98,927	102,981	358,654	354,544	362,168
Due from National banks (not reserve agents)	2,559,147	2,485,889	2,786,673	339,968	229,966	229,250	1,049,086	908,056	1,260,605
Due from State banks and bankers	775,005	949,806	839,824	38,334	33,872	55,271	384,999	818,966	461,481
Due from approved reserve agents	4,535,080	5,776,096	6,533,818	876,406	754,191	664,087	2,116,209	1,901,154	3,847,378
Checks and other cash items	98,867	119,874	184,295	30,653	22,111	25,731	17,962	231,283	110,144
Exchanges for clearing-house	253,053	349,082	278,880	77,798	72,782	79,905	226,968	210,649	236,036
Bills of other National banks	158,529	197,480	161,205	65,461	40,983	19,927	165,807	258,245	142,987
Fractional paper currency, nickels and cents	5,980	5,791	4,963	1,635	2,054	1,119	6,910	11,331	5,774
*Lawful money reserve in bank, viz.:									
Gold coin	1,570,627	1,625,407	1,634,215	145,600	147,912	117,835	1,357,527	1,359,652	1,405,587
Gold Treasury certificates	249,570	253,170	255,470	4,480	4,830	5,870	20,000	20,000	20,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	122,723	112,428	102,121	32,782	21,254	8,614	78,648	98,907	109,158
Silver Treasury certificates	156,675	198,498	205,050	68,897	16,272	12,075	138,050	149,748	105,050
Silver fractional coin	33,966	30,965	31,611	17,652	7,714	6,367	52,606	59,810	37,811
Legal-tender notes	1,295,439	1,700,750	1,470,002	229,801	226,804	196,616	575,226	798,730	699,711
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	63,100	65,550	70,690	14,975	14,435	15,435	54,000	63,000	63,000
Due from U. S. Treasurer	12,000	106,900	20,000	1,000	47,200	50,000	14,352	40,675	9,448
Total	$44,963,818	$47,655,092	$49,324,727	$6,006,678	$6,051,596	$6,098,747	$24,700,775	$24,208,826	$25,996,562
LIABILITIES.									
Capital stock paid in	$9,400,000	$9,400,000	$9,400,000	$800,000	$800,000	$800,000	$3,300,000	$3,300,000	$3,300,000
Surplus fund	2,146,620	2,161,500	2,161,500	221,500	221,500	221,500	605,000	605,000	605,000
Undiv. profits, less expenses and taxes paid	469,394	564,658	645,212	45,577	55,471	55,926	311,455	252,607	302,583
National bank notes issued, less am't on hand	1,297,460	1,321,950	1,408,350	289,307	305,417	304,667	1,011,920	1,122,830	1,169,080
Due to other National banks	4,542,286	4,606,319	5,308,303	......	908,499	1,014,680	2,956,942	2,991,809	2,981,741
Due to State banks and bankers	3,041,433	3,185,420	3,118,725	917,540	1,856,106	1,903,877	5,613,478	5,401,346	5,963,687
Dividends unpaid	84,886	1,455	1,672	1,341,564	7,801	4,742	829	3,635	53
Individual deposits	22,968,408	25,398,622	26,417,898	4,828	1,846,778	1,693,408	10,494,597	10,224,436	11,249,457
U. S. deposits	45,671	91,841	38,242	1,888,861	50,028	100,000	227,284	276,884	372,143
Deposits of U. S. disbursing officers	13,158	14,705	28,639	......	......	......	79,271	25,277	52,814
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	200,000	100,000	......	......	......	......	100,000	......	......
Liabilities other than those above stated	755,000	811,619	806,188	......	......	......	......	......	......
Total	$44,963,818	$47,655,092	$49,324,727	$6,006,678	$6,051,596	$6,098,747	$24,700,775	$24,208,826	$25,996,562
Average reserve held	29.76 p. c.	33.30 p. c.	33.41 p. c.	33.66 p. c.	27.81 p. c.	23.70 p. c.	25.06 p. c.	25.81 p. c.	31.25 p. c.
* Total lawful money reserve	$3,428,970	$3,921,213	$3,698,469	$499,212	$424,786	$347,377	$2,222,058	$2,461,842	$2,377,318

	HOUSTON, TEXAS.			KANSAS CITY, MO.			LINCOLN, NEB.		
RESOURCES.	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*
Loans and discounts	$2,300,134	$2,476,941	$2,555,738	$17,359,879	$18,918,947	$18,378,818	$3,005,944	$2,019,286	$2,012,565
Overdrafts	35,403	18,815	326,775	151,150	107,071	211,227	6,197	12,604	18,678
U. S. bonds to secure circulation	250,000	250,000	250,000	250,000	250,000	487,000	150,000	150,000	150,000
U. S. bonds to secure U. S. deposits	......	......	......	100,000	50,000	314,500	......	......	60,000
U. S. bonds on hand	......	......	......	226,000	304,500	287,200	......	......	38,000
Premiums on U. S. bonds	22,633	22,333	22,300	61,827	36,000	43,945	5,500	5,500	5,500
Stocks, securities, etc	32,843	25,289	25,514	1,640,992	1,648,533	1,302,946	73,329	83,372	91,091
Banking house, furniture and fixtures	133,549	133,714	133,564	66,865	16,366	18,001	8,046	8,645	8,645
Other real estate and mortgages owned	121,584	121,988	121,988	357,992	418,288	395,227	109,111	116,816	119,036
Due from National banks (not reserve agents)	594,165	418,082	818,304	1,207,449	919,858	1,252,126	127,598	95,520	248,712
Due from State banks and bankers	41,151	48,608	72,296	2,082,839	1,815,509	2,048,436	39,129	37,492	118,908
Due from approved reserve agents	732,537	512,882	422,385	6,712,474	3,647,740	4,401,672	405,052	399,255	247,611
Checks and other cash items	935	3,815	10,046	37,461	69,994	47,620	15,388	14,282	21,692
Exchanges for clearing-house	29,356	18,134	11,214	649,141	723,716	576,188	19,906	24,220	18,540
Bills of other National banks	91,324	62,239	35,569	204,136	130,440	168,311	4,826	7,947	7,272
Fractional paper currency, nickels and cents	3,455	4,372	2,790	3,695	5,069	6,866	1,515	20,020	2,764
*Lawful money reserve in bank, viz.:									
Gold coin	345,892	363,216	305,828	830,715	880,680	953,477	92,215	89,780	99,960
Gold Treasury certificates	135,760	135,940	136,270	101,120	50,000	25,000	......	......	......
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	95,661	38,356	9,067	89,110	66,283	96,859	18,429	12,712	16,062
Silver Treasury certificates	139,999	76,015	142,387	1,058,571	1,025,464	432,683	14,169	17,838	28,122
Silver fractional coin	27,649	11,951	12,247	26,545	22,487	37,089	15,682	14,692	18,915
Legal-tender notes	799,496	645,516	1,288,218	1,866,400	1,082,160	951,122	117,654	115,806	88,034
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	9,715	11,250	11,250	11,250	11,250	18,500	6,750	6,750	6,750
Due from U. S. Treasurer	1,585	3,000	......	......	20,000	33,504	......	53,300	......
Total	$5,944,782	$5,402,363	$6,208,725	$34,595,616	$32,170,375	$32,570,168	$3,236,397	$3,287,323	$3,411,867
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	572,300	577,300	577,300	521,000	578,000	608,000	86,000	87,000	15,000
Undiv. profits, less expenses and taxes paid	127,050	87,740	102,888	388,462	308,757	335,188	7,362	4,654	6,807
National bank notes issued, less am't on hand	134,220	132,420	200,500	225,000	225,000	291,450	134,700	134,150	134,300
Due to other National banks	680,589	483,791	594,704	8,537,494	7,525,276	7,426,165	248,186	243,558	287,493
Due to State banks and bankers	258,925	187,722	283,271	8,756,048	8,024,090	8,096,143	374,081	439,138	497,772
Dividends unpaid	4,083	6,483	4,929	1,119	26,485	1,675	......	1,158	180
Individual deposits	3,022,076	2,826,350	3,345,182	12,953,286	12,604,744	13,215,178	1,636,066	1,627,669	1,663,307
U. S. deposits	......	......	......	77,594	47,812	226,860	......	......	57,000
Deposits of U. S. disbursing officers	......	......	......	20,611	18,767	15,781	......	......	......
Notes and bills rediscounted	......	......	......	......	372,829	......	......	......	......
Bills payable	......	......	......	......	158,612	50,000	......	......	......
Liabilities other than those above stated	587	605	......	865,000	......	6,728	......	......	......
Total	$5,944,782	$5,402,363	$6,208,725	$34,595,616	$32,170,375	$32,570,168	$3,236,397	$3,287,323	$3,411,867
Average reserve held	71.36 p. c.	61.75 p. c.	62.14 p. c.	38.91 p. c.	27.32 p. c.	27.78 p. c.	32.41 p. c.	30.58 p. c.	24.21 p. c.
* Total lawful money reserve	$1,544,457	$1,270,994	$1,894,088	$3,472,461	$3,077,074	$2,498,180	$258,099	$250,328	$246,103

	LOUISVILLE, KY.			MILWAUKEE, WIS.			MINNEAPOLIS, MINN.		
RESOURCES.	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*
Loans and discounts	$7,492,145	$7,110,155	$7,264,600	$17,398,657	$16,756,818	$16,548,426	$11,458,636	$10,862,898	$10,299,184
Overdrafts	9,332	10,858	8,892	192,818	152,549	156,298	4,855	20,229	13,052
U. S. bonds to secure circulation	950,000	1,850,000	1,900,000	870,000	870,000	820,000	300,000	300,000	300,000
U. S. bonds to secure U. S. deposits	750,000	750,000	1,325,000	390,000	390,000	490,000	50,000	50,000	150,000
U. S. bonds on hand	100,000	106,000	65,020	39,350	32,250	74,580	......	......	152,604
Premiums on U. S. bonds	152,000	205,500	311,175	161,259	161,259	72,720	22,950	21,200	28,775
Stocks, securities, etc	942,429	1,009,122	1,115,092	1,379,425	1,391,661	1,357,048	441,684	465,450	448,155
Banking house, furniture and fixtures	189,125	189,125	190,975	123,768	128,268	120,200	108,275	108,875	108,875
Other real estate and mortgages owned	8,783	10,157	10,157	66,582	68,723	67,968	77,628	77,628	77,628
Due from National banks (not reserve agents)	923,417	1,011,496	928,408	1,849,579	1,776,164	2,287,204	719,127	1,065,422	1,078,886
Due from State banks and bankers	272,235	249,928	189,624	1,018,055	1,027,223	948,261	891,357	882,835	1,048,238
Due from approved reserve agents	2,834,532	2,210,555	1,767,192	4,524,430	5,040,330	3,944,284	2,236,900	3,020,842	3,263,307
Checks and other cash items	9,608	9,747	15,800	7,773	18,089	10,040	29,942	29,081	40,825
Exchanges for clearing-house	52,633	139,586	113,754	417,992	337,483	367,758	1,014,054	331,206	450,478
Bills of other National banks	110,975	66,230	152,264	84,961	76,418	32,018	150,579	113,311	104,606
Fractional paper currency, nickels and cents	2,832	3,418	2,559	2,749	6,318	3,219	5,195	12,482	7,381
*Lawful money reserve in bank, viz.:									
Gold coin	607,392	701,877	726,442	2,128,676	2,141,984	2,041,507	597,652	677,047	897,382
Gold Treasury certificates	5,000	5,000	5,000	......	......	......	9,000	9,000	9,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	31,754	49,621	31,985	35,958	74,010	67,743	30,594	36,734	24,942
Silver Treasury certificates	......	......	......	110,288	151,861	52,475	58,200	27,500	32,000
Silver fractional coin	14,349	20,575	11,542	22,560	34,512	41,278	10,892	21,418	28,923
Legal-tender notes	1,317,801	736,794	537,008	1,673,761	1,699,199	731,835	837,396	685,351	619,694
U. S. certificates of deposit for legal-tenders	250,000	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	38,240	60,740	81,000	38,537	39,150	36,900	13,300	12,800	13,300
Due from U. S. Treasurer	......	18,480	1,000	7,400	9,250	5,500	1,562	103,062	800
Total	$16,564,088	$16,024,914	$16,754,490	$32,544,573	$32,878,372	$30,277,203	$19,069,724	$18,908,838	$19,197,545
LIABILITIES.									
Capital stock paid in	$3,000,000	$2,800,000	$2,800,000	$3,250,000	$3,250,000	$2,950,000	$4,500,000	$4,500,000	$4,500,000
Surplus fund	665,000	648,000	648,000	586,500	588,500	578,500	505,500	512,000	512,000
Undiv. profits, less expenses and taxes paid	213,928	211,272	228,119	185,179	159,825	209,854	354,850	246,985	313,479
National bank notes issued, less am't on hand	768,550	1,214,690	1,619,500	764,200	769,280	711,120	200,410	195,920	192,360
Due to other National banks	3,473,308	3,181,336	2,800,820	4,033,040	3,595,960	3,729,789	2,674,572	2,892,267	2,398,788
Due to State banks and bankers	1,870,838	2,080,416	2,129,410	2,462,188	2,117,303	1,965,276	1,778,498	1,584,305	1,595,051
Dividends unpaid	8,919	11,166	4,800	125	1,707	587	2,897	11,400	3,151
Individual deposits	5,791,228	5,125,854	5,140,386	20,876,675	21,514,960	19,689,748	8,988,184	8,798,306	9,418,198
U. S. deposits	529,633	468,792	774,959	280,159	264,415	384,901	37,135	38,377	133,535
Deposits of U. S. disbursing officers	220,702	251,331	525,181	106,505	116,497	107,425	4,691	10,510	9,720
Notes and bills rediscounted	......	......	......	......	......	......	......	......	12,800
Bills payable	......	......	59,000	......	......	......	......	......	......
Liabilities other than those above stated	21,978	32,054	24,310	......	......	......	22,984	118,814	118,459
Total	$16,564,088	$16,024,914	$16,754,490	$32,544,573	$32,878,372	$30,277,203	$19,069,724	$18,908,838	$19,197,545
Average reserve held	43.65 p. c.	39.22 p. c.	31.63 p. c.	34.99 p. c.	37.64 p. c.	31.16 p. c.	35.42 p. c.	40.95 p. c.	44.99 p. c.
*** Total lawful money reserve**	$2,225,797	$1,513,867	$1,811,978	$3,971,238	$4,101,516	$2,984,838	$1,543,675	$1,457,046	$1,611,945

	NEW ORLEANS, LA.			OMAHA, NEB.			PHILADELPHIA, PA.		
RESOURCES.	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*
Loans and discounts	$10,697,620	$10,826,803	$11,792,048	$9,907,726	$9,811,775	$9,766,541	$98,327,849	$96,784,700	$100,110,745
Overdrafts	412,632	261,886	890,211	111,880	124,886	186,506	16,682	12,686	14,208
U. S. bonds to secure circulation	622,000	622,000	622,000	625,000	575,000	661,000	6,992,500	6,942,500	6,992,500
U. S. bonds to secure U. S. deposits	......	......	300,000	450,000	500,000	755,000	200,000	1,220,000	8,836,000
U. S. bonds on hand	47,850	41,750	41,210	85,000	85,000	923,100	550,000	60,400	426,100
Premiums on U. S. bonds	85,101	83,979	64,650	96,250	95,750	100,809	732,836	782,704	968,782
Stocks, securities, etc	2,214,843	2,848,788	2,087,258	714,865	717,261	695,176	18,656,249	15,294,605	15,609,923
Banking house, furniture and fixture	623,837	623,837	623,837	832,384	832,384	832,384	4,186,804	3,975,804	3,975,804
Other real estate and mortgages owned	85,815	151,570	152,429	516,059	414,752	419,111	680,764	599,339	598,582
Due from National banks (not reserve agents)	705,068	624,370	447,667	922,846	979,466	1,003,922	7,103,994	8,629,988	7,576,260
Due from State banks and bankers	641,550	477,159	410,415	445,527	788,541	822,408	1,468,095	1,817,810	1,438,258
Due from approved reserve agents	3,131,779	2,804,115	1,537,886	3,063,249	4,068,015	3,910,711	14,642,678	20,401,471	16,180,565
Checks and other cash items	24,709	37,960	10,383	114,669	116,129	175,064	1,148,102	1,360,626	1,142,381
Exchanges for clearing-house	851,653	539,688	596,517	612,899	675,282	845,190	7,534,245	10,202,097	10,065,744
Bills of other National banks	92,998	61,496	77,055	177,525	144,880	153,026	381,052	403,404	348,855
Fractional paper currency, nickels and cents	13,627	13,442	13,180	4,650	3,033	4,257	70,723	64,251	68,024
*Lawful money reserve in bank, viz.:									
Gold coin	888,488	1,016,392	1,118,232	894,522	1,129,705	1,028,817	1,730,418	1,740,016	2,043,283
Gold Treasury certificates	113,670	107,130	109,060	87,730	87,150	38,850	159,745	155,950	170,290
Gold clearing-house certificates	......	......	......	......	......	......	7,790,000	8,860,000	8,785,000
Silver dollars	73,565	68,849	63,092	123,866	175,662	169,267	252,359	263,960	238,624
Silver Treasury certificates	1,171,718	989,882	527,550	142,737	118,145	267,876	3,666,626	3,991,053	3,275,485
Silver fractional coin	72,859	79,817	53,887	39,805	60,614	87,870	265,463	324,948	263,258
Legal-tender notes	1,583,208	1,429,443	1,121,787	866,949	984,709	639,523	2,183,694	2,583,268	2,632,847
U. S. certificate of deposit for legal-tenders	820,000	210,000	225,000	......	......	......	5,770,000	5,060,000	4,940,000
Five per cent. redemption fund with Treas.	27,990	27,990	27,990	27,940	25,875	23,625	318,087	312,410	309,380
Due from U. S. Treasurer	2,000	30,000	2,000	2,750	109,108	15,000	44,998	268,608	81,768
Total	$24,453,589	$23,422,369	$22,364,270	$20,765,833	$22,468,071	$23,468,531	$174,708,921	$189,057,600	$191,557,072
LIABILITIES.									
Capital stock paid in	$2,800,000	$2,800,000	$2,800,000	$3,750,000	$3,750,000	$3,750,000	$20,465,000	$19,655,000	$19,655,000
Surplus fund	2,305,000	2,355,000	2,355,000	334,500	342,500	342,500	14,548,000	14,395,000	14,395,000
Undiv. profits less expenses and taxes paid	481,864	354,608	391,426	148,090	116,556	112,300	2,559,813	2,658,942	2,902,621
National bank notes issued, less am't on hand	518,895	517,995	511,695	557,590	504,450	472,500	6,202,285	6,111,405	6,184,775
Due to other National banks	1,539,179	1,390,215	1,069,478	3,874,848	4,563,225	4,750,512	22,876,133	26,817,859	27,726,287
Due to State banks and bankers	1,748,333	1,225,669	909,899	3,542,260	3,967,493	4,306,675	7,447,487	8,647,279	8,580,923
Dividends unpaid	6,367	40,062	12,124	383	383	378	293,601	64,683	39,066
Individual deposits	15,553,948	15,838,848	14,826,176	8,060,510	8,691,698	9,156,692	99,588,353	109,844,585	106,697,098
U. S. deposits	......	......	288,317	311,806	383,701	299,365	201,842	1,228,868	2,766,595
Deposits of U. S. disbursing officers	......	......	......	125,844	96,063	250,612	1,870	51,265	46,842
Notes and bills rediscounted	......	......	100,158	......	......	......	......	......	......
Bills payable	......	......	100,000	65,000	50,000	25,000	835,000	......	500,000
Liabilities other than those above stated	......	......	......	......	......	......	189,588	82,761	118,839
Total	$24,453,589	$23,422,369	$22,364,270	$20,765,833	$22,468,071	$23,468,531	$174,708,921	$189,057,600	$191,557,072
Average reserve held	44.59 p. c.	41.56 p. c.	31.74 p. c.	37.78 p. c.	43.50 p. c.	33.64 p. c.	32.23 p. c.	34.98 p. c.	30.25 p. c.
* Total lawful money reserve	$4,223,498	$3,896,513	$3,218,628	$2,105,609	$2,505,985	$2,225,704	$21,758,305	$22,979,190	$22,348,738

RESOURCES.	PITTSBURG, PA. May 5, 1898.	PITTSBURG, PA. July 14, 1898.	PITTSBURG, PA. Sept. 20, 1898.	ST. JOSEPH, MO. May 5, 1898.	ST. JOSEPH, MO. July 14, 1898.	ST. JOSEPH, MO. Sept. 20, 1898.	ST. LOUIS, MO. May 5, 1898.	ST. LOUIS, MO. July 14, 1898.	ST. LOUIS, MO. Sept. 20, 1898.
Loans and discounts	$50,432,769	$50,131,655	$50,068,656	$2,285,581	$2,272,000	$2,208,279	$36,084,086	$35,074,948	$34,712,725
Overdrafts	45,180	56,302	70,470	5,734	7,858	21,962	24,620	40,942	81,779
U. S. bonds to secure circulation	5,430,250	5,705,250	5,655,250	150,000	150,000	150,000	1,810,000	2,810,000	2,760,000
U. S. bonds to secure U. S. deposits	200,000	500,000	700,000	50,000	50,000	50,000	540,000	540,000	990,000
U. S. bonds on hand	775,400	802,100	859,760	......	......	59,500	154,000	75,000	60,060
Premiums on U. S. bonds	733,030	753,099	753,445	......	......	......	192,768	222,276	206,468
Stocks, securities, etc	4,289,518	4,451,959	4,662,137	14,400	14,400	14,400	2,386,698	2,631,886	2,825,165
Banking house, furniture and fixtures	3,608,738	3,663,703	3,652,261	72,000	72,000	72,000	930,000	923,000	923,000
Other real estate and mortgages owned	509,042	511,587	531,036	......	......	......	266,236	236,553	247,827
Due from National banks (not reserve agents)	2,061,562	2,504,817	2,867,781	336,099	350,258	229,284	6,949,831	7,278,241	5,974,122
Due from State banks and bankers	245,673	282,395	304,732	133,145	85,584	168,855	1,260,476	1,246,816	346,061
Due from approved reserve agents	4,794,517	5,863,260	6,477,430	952,336	1,065,283	1,216,565	......	......	......
Checks and other cash items	355,125	339,591	423,382	18,711	100,721	69,175	71,151	78,786	138,420
Exchanges for clearing-house	2,430,457	2,097,664	2,603,530	175,888	109,807	143,490	1,357,545	1,139,029	1,119,853
Bills of other National banks	294,586	337,256	287,588	10,165	11,675	12,775	338,088	264,631	160,751
Fractional paper currency, nickels and cents	19,640	16,916	17,760	782	480	505	2,551	2,268	3,060
*Lawful money reserve in bank, viz.:									
Gold coin	3,517,083	3,571,667	3,445,240	92,252	182,052	86,747	1.419,633	2,366,820	2,648,647
Gold Treasury certificates	401,380	422,870	434,610	12,880	10,660	10,960	242,170	243,440	250,150
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	214,594	205,836	193,836	13,557	8,577	11,575	17,998	21,898	42.810
Silver Treasury certificates	1,160,703	1,156,972	1,014,997	112,969	95,254	75,988	1,617,410	1,780,795	983,502
Silver fractional coin	102,528	115,748	107,729	4,633	4,884	4,367	16,244	17,060	12,610
Legal-tender notes	3,047,770	2,745,952	2,693,135	218,514	202,019	205,461	5,468,691	2,948,672	2,282,876
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	2,400,000	1,910,000	1,355,000
Five per cent. redemption fund with Treas.	243,211	255,641	254,220	6,750	6,750	6,750	81,450	103,950	121,950
Due from U. S. Treasurer	33,431	123,132	86,133	1,000	800	850	2	103,502	1,000
Total	$84,946,145	$86,114,879	$88,165,175	$4,667,345	$4,751,113	$4,813,989	$63,631,649	$61,545,519	$58,646,840
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	9,793,400	9,812,000	9,562,000	105,500	105,500	105,500	1,710,000	1,723,000	1,728,000
Undiv. profits, less expenses and taxes paid	2,000,457	1,966,983	2,179,198	60,026	23,810	29,574	838,187	825,188	898,281
National bank notes issued, less am't on hand	4,827,680	5,067,980	4,926,270	135,000	135,000	135,000	1,617,167	2,040,897	2,469,285
Due to other National banks	8,691,683	7,969,634	8,958,816	571,552	583,578	778,302	17,318,680	16,261,862	13,438,575
Due to State banks and bankers	2,802,167	2,712,348	3,169,888	1,217,524	1,342,878	1,361,747	10,347,436	9,418,496	8,528,033
Dividends unpaid	124,967	118,712	43,776	4	......	......	41,460	5,759	4,501
Individual deposits	43,824,977	45,500,747	46,207,185	2,178,706	2,161,306	2,008,911	22,781,583	22,266,583	22,184,709
U. S. deposits	120,838	418,494	552,049	49,081	49,018	49,576	549,833	572,981	993,220
Deposits of U. S. disbursing officers	80,620	86,378	153,365	......	25	377	......	......	......
Notes and bills rediscounted	879,353	96,600	......	......	......	......	......	......	......
Bills payable	......	80,000	106,520	......	......	......	......	......	......
Liabilities other than those above stated	......	......	6,604	......	......	......	32,200	35,800	2,234
Total	$84,946,145	$86,114,879	$88,165,175	$4,667,345	$4,751,113	$4,813,989	$63,631,649	$61,545,519	$58,646,840
Average reserve held	26.64 p. c.	27.79 p. c.	27.58 p. c.	40.06 p. c.	42.62 p. c.	44.46 p. c.	27.39 p. c.	24.34 p. c.	20.64 p. c.
* Total lawful money reserve	$8,444,058	$8,218,545	$7,889,547	$454,806	$453,447	$395,097	$11,182,146	$9,288,686	$7,525,595

	ST. PAUL, MINN.			SAN FRANCISCO, CAL.			SAVANNAH, GA.		
Resources.	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*
Loans and discounts	$10,314,406	$9,567,578	$9,715,305	$13,278,223	$13,825,689	$13,494,065	$1,477,636	$1,321,007	$1,354,841
Overdrafts	4,775	4,958	4,141	181,265	94,520	67,715	2,823	332	1,709
U. S. bonds to secure circulation	252,000	252,000	252,000	700,000	700,000	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	......	......	133,500	870,000	770,000	795,000	......	......	......
Premiums on U. S. bonds	......	......	......	212,816	188,720	190,086	10,400	10,400	10,400
Stocks, securities, etc	1,745,190	1,785,762	1,766,142	1,445,604	1,570,150	1,629,362	44,428	30,865	30,915
Banking house, furniture and fixtures	698,758	698,758	698,758	355,097	355,097	355,109	67,312	67,312	67,312
Other real estate and mortgages owned	87,883	97,722	126,575	141,524	131,141	131,043	16,134	16,408	16,277
Due from National banks (not reserve agents)	958,147	1,029,357	680,049	984,996	428,854	507,497	46,349	40,316	26,984
Due from State banks and bankers	241,065	160,034	243,554	1,366,650	1,590,497	2,494,111	22,629	23,184	17,008
Due from approved reserve agents	2,580,194	3,328,113	3,408,665	1,274,964	701,266	796,240	52,644	70,481	66,390
Checks and other cash items	99,467	86,683	71,000	9,698	12,090	17,972	424	826	1,275
Exchanges for clearing-house	300,680	249,478	288,459	471,414	421,441	557,227	22,511	58	10,142
Bills of other National banks	202,155	130,729	122,632	14,860	6,260	7,640	20,691	14,000	14,500
Fractional paper currency, nickels and cents	2,466	2,345	3,481	810	875	562	746	1,491	770
*Lawful money reserve in bank, viz.:									
Gold coin	1,620,528	1,780,145	1,749,977	4,691,562	6,216,065	6,970,625	12,000	9,000	18,000
Gold Treasury certificates	......	10,500	10,000	345,000	345,000	345,000	3,000	3,000	3,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	146,500	128,888	110,870	30,171	55,477	32,307	36,000	13,000	9,000
Silver Treasury certificates	220,912	250,044	210,704	24,158	12,273	26,145	23,800	29,965	15,384
Silver fractional coin	58,198	49,872	45,112	32,111	48,189	59,275	12,600	17,700	9,400
Legal-tender notes	457,474	313,417	546,480	17,967	10,176	7,374	40,000	75,000	65,000
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	11,338	11,338	11,338	18,000	31,495	31,495	4,590	4,590	3,770
Due from U. S. Treasurer	46,431	108,121	26,231	12,800	1,600	1,600	2	1,002	2
Total	$20,523,573	$20,520,794	$20,699,970	$26,639,716	$27,666,881	$29,367,427	$2,107,724	$1,941,936	$1,938,980
Liabilities.									
Capital stock paid in	$3,800,000	$3,800,000	$3,800,000	$6,000,000	$6,000,000	$6,000,000	$750,000	$750,000	$750,000
Surplus fund	655,000	657,000	657,000	2,225,000	2,250,000	2,250,000	225,000	225,000	225,000
Undiv. profits, less expenses and taxes paid	770,412	770,420	817,690	879,786	220,024	838,632	66,056	48,646	59,881
National bank notes issued, less amt on hand	206,730	204,770	208,270	90,000	90,000	90,000	89,495	87,085	88,145
Due to other National banks	2,127,928	2,226,834	2,591,161	1,461,578	1,199,706	1,015,816	97,084	102,538	107,189
Due to State banks and bankers	2,410,402	2,219,981	1,754,850	4,210,478	3,227,306	3,926,356	185,191	103,397	69,284
Dividends unpaid	2,466	4,924	3,102	1,065	128,145	3,380	435	2,068	824
Individual deposits	10,047,578	10,181,067	10,432,375	12,106,822	14,380,385	15,586,672	487,858	511,556	444,238
U. S. deposits	249,851	196,946	87,151	166,470	171,812	161,569	38,712	32,298	38,719
Deposits of U. S. disbursing officers	178,208	258,879	358,368	......	......	......	51,727	54,350	56,197
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	75,000	......	......	......	......	......	150,000	25,000	100,000
Liabilities other than those above stated	......	......	......	......	......	......	16,218	......	......
Total	$20,523,573	$20,520,794	$20,699,970	$26,639,716	$27,666,881	$29,367,427	$2,107,724	$1,941,936	$1,938,980
Average reserve held	38.27 p. c.	43.44 p. c.	43.88 p. c.	42.65 p. c.	44.54 p. c.	48.28 p. c.	26.29 p. c.	30.57 p. c.	29.54 p. c.
* **Total lawful money reserve**	$2,503,612	$2,532,816	$2,673,143	$5,150,970	$6,687,180	$7,440,726	$126,400	$147,665	$119,738

	WASHINGTON, D. C.			THE UNITED STATES.		
RESOURCES.	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*	*May 5, 1898.*	*July 14, 1898.*	*Sept. 20, 1898.*
Loans and discounts	$9,510,626	$9,779,587	$9,718,811	$2,097,094,235	$2,151,757,655	$2,155,961,627
Overdrafts	7,411	13,876	14,889	12,679,151	11,924,282	16,557,982
U. S. bonds to secure circulation	960,400	960,400	960,400	216,158,300	218,106,450	224,628,840
U. S. bonds to secure U. S. deposits	100,000	200,000	315,000	28,630,500	53,519,100	83,926,230
U. S. bonds on hand	271,850	247,450	434,700	16,365,000	13,731,350	31,614,010
Premiums on U. S. bonds	110,480	117,233	112,641	18,271,547	18,947,195	18,971,197
Stocks, securities, etc	967,023	987,829	880,051	236,025,116	250,689,375	255,198,927
Banking house, furniture and fixtures	940,197	944,291	944,291	79,463,235	79,308,604	79,386,357
Other real estate and mortgages owned	57,936	59,450	69,556	30,326,045	30,186,270	30,484,417
Due from National banks (not reserve agents)	1,192,705	931,011	1,091,739	152,372,153	161,138,722	159,128,045
Due from State banks and bankers	632,912	264,084	267,283	45,468,995	43,248,800	46,324,878
Due from approved reserve agents	2,160,586	2,366,759	2,218,652	300,961,618	320,015,065	320,002,050
Checks and other cash items	150,799	181,164	145,263	16,719,376	17,308,976	16,828,942
Exchanges for clearing-house	214,741	166,040	181,012	126,234,963	94,276,408	110,286,935
Bills of other National banks	3,670	6,686	4,806	21,338,292	20,811,692	19,649,723
Fractional paper currency, nickels and cents	7,783	7,612	6,565	1,057,060	1,098,904	1,028,834
*Lawful money reserve in bank, viz.:						
Gold coin	395,336	557,324	535,252	131,081,263	132,888,087	127,990,555
Gold Treasury certificates	574,580	568,020	567,450	18,230,690	18,457,340	18,323,870
Gold clearing-house certificates	......	......	......	118,838,000	133,576,000	104,856,000
Silver dollars	9,184	11,652	5,740	8,100,544	7,963,587	6,861,433
Silver Treasury certificates	1,877,897	1,084,465	967,579	35,316,796	36,458,014	30,679,950
Silver fractional coin	38,876	28,176	19,865	6,120,479	6,334,152	5,662,349
Legal-tender notes	803,556	717,180	659,754	119,058,681	114,914,997	110,038,300
U. S. certificates of deposit for legal-tender notes	660,000	120,000	100,000	23,975,000	20,385,000	16,810,000
Five per cent. redemption fund with Treasurer	38,717	38,717	38,717	9,520,530	9,601,066	9,795,055
Due from U. S. Treasurer	5,950	117,140	3,785	1,064,313	11,033,427	4,019,551
Total	$21,693,172	$20,426,052	$20,282,304	$3,869,966,858	$3,977,675,445	$4,008,511,044
LIABILITIES.						
Capital stock paid in	$2,775,000	$2,775,000	$2,775,000	$624,471,670	$622,016,745	$621,517,895
Surplus fund	1,216,000	1,217,200	1,217,200	247,695,979	247,965,215	247,555,108
Undivided profits, less expenses and taxes paid	285,418	287,520	309,165	90,320,999	85,036,427	93,015,097
National bank notes issued, less amount on hand	760,705	755,765	750,065	188,425,306	189,866,298	194,483,765
State bank notes outstanding	......	......	......	56,017	56,007	55,907
Due to other National banks	298,840	468,170	354,398	424,204,684	467,634,068	446,417,454
Due to State banks and bankers	311,819	387,491	361,524	245,643,049	252,182,778	251,917,900
Dividends unpaid	3,755	7,329	3,846	2,000,238	2,704,832	1,006,410
Individual deposits	15,938,207	14,323,146	14,235,217	1,999,308,438	2,023,357,159	2,081,454,540
U. S. deposits	82,649	153,406	258,204	23,095,965	48,081,038	70,187,368
Deposits of U. S. disbursing officers	20,777	51,022	17,682	3,928,661	4,788,877	4,977,832
Notes and bills rediscounted	......	......	......	4,467,622	5,364,952	6,084,815
Bills payable	......	......	......	9,288,156	9,288,285	11,283,332
Liabilities other than those above stated	......	......	......	7,060,145	19,368,262	23,551,615
Total	$21,693,172	$20,426,052	$20,282,304	$3,869,966,858	$3,977,675,445	$4,008,511,044
Average reserve held	41.44 p. c.	38.24 p. c.	35.82 p. c.	32.63 p. c.	32.19 p. c.	30.27 p. c.
* Total lawful money reserve	$4,359,429	$3,086,817	$2,875,640	$460,216,458	$470,977,127	$420,722,458

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, October 3, 1898.

THE UNSETTLED CONDITION OF THE STOCK MARKET during the past month has engaged general attention. On the eve of an election which is to determine the complexion of Congress for two years, it is natural enough that Wall Street should be cautious in its operations. This year, however, the heat of local issues has caused questions of national moment to be subordinated in many minds, yet the silver issue and the sound currency and banking issue are live questions with which the Congress elected this coming week will be called upon to deal, and Wall Street recognized the fact.

Aside from all this all-important matter, Wall Street has had troubles peculiarly its own. A few stocks in what is known as the "industrial" list have been so tossed about and their quotations have made such remarkable gyrations that it was only a natural result that investors and conservative speculators should take alarm. The consequence has been a less active and most of the time a weak stock market.

The sales of stocks in October aggregated only about 7,400,000 shares as compared with nearly 9,400,000 shares in September, and over 12,000,000 shares in August. They were nearly 700,000 shares less than the sales in October last year. The dealings in bonds were larger, the sales in October aggregating nearly $60,000,000 against $53,000,000 in September, nearly $99,000,000 in August and about $40,000,000 in October last year.

That there is inherent strength in values was apparent in the way the stock market stood up under some very adverse influences. The possibility of war between England and France over the Fashoda affair rapidly took the shape of imminent probability and European markets began to be demoralized, while the New York stock market, after the first shock, developed greater strength than at any previous time in weeks.

Another serious influence, or what ordinarily would have been, was supplied in the decision of the United States Supreme Court which declared the Joint Traffic Association illegal. This decision strips the railroads of all right to enter into any arrangement with each other either to maintain rates or to divide traffic. The railroads can do nothing now but to wait until an appeal can be presented to Congress to grant them some authority to protect themselves against the natural consequences of reckless and ruthless competition. Fortunately the decision came at a time when the traffic of the railroads was at the maximum point; the grain movement had suddenly developed extraordinary volume, and railroad earnings were generally showing large increases. Under such conditions the railroads would not be likely to take advantage of the license which the decision conveyed and rush in to slaughter rates. Consequently Wall Street viewed the decision with equanimity and did not attempt to discount the evils of railroad wars which are still in the future.

The enormous supply of money both in the country and in the financial centers is also a strengthening factor in the stock market. New York is a formidable rival of London, Paris and Berlin as a money center, and recent events have brought out this fact very distinctly.

The three leading banks of Europe last month decided to advance their rates of discount, the Bank of Germany to five per cent., the Bank of England to four per cent., and the Bank of France to three per cent. The action of the last-named bank was viewed with greater significance, because for nearly four years past its rate has been steadily maintained at two per cent. While political causes as well as financial have operated to produce these results, our own local money market has been tending downward. Not only is the supply of money here excessive, even with bank loans close to the highest amount ever known, but considerable American capital is being loaned abroad. Consequently, while we have drawn from Europe nearly $115,000,000 of gold since January 1 last, it is within our power to call for still more gold in settlement of past and accruing foreign trade balances. Such a situation makes it explicable that New York should be the cheapest money market in the world today.

These conditions further justify the belief entertained by many bankers and voiced by Mr. Charles R. Flint at the meeting of Group V of the New York State Bankers' Association last month, that New York will yet become the financial center of the world and that an international American bank will be established sometime in the near future.

This is less a dream than would have seemed to be the prediction twenty years ago, when only three New York banks had deposits of over $10,000,000 each, that in 1898 there would be one bank alone with more than $100,000,000 deposits, two others with nearly $50,000,000 each, and nine others with from $20,000,000 to $35,000,000 each, How rapidly New York has grown as a financial center may be judged by the following statement of deposits held by the largest banks in the New York Clearing-House in the years 1879, 1889 and 1898:

	1879.		*1889.*		*1898.*
Imp. & Traders....	$16,469,200	Chemical..........	$25,612,000	City..............	$101,820,900
Fourth National..	12,025,200	Park..............	23,295,700	Park..............	46,626,000
Park..............	11,623,800	Imp. & Traders...	22,926,500	Hanover...........	45,626,800
First National....	9,619,200	First National...	20,782,100	Chase.............	35,842,500
Commerce.........	9,502,300	Fourth National.	17,982,000	Western...........	34,550,800
Chemical..........	9,451,700	Hanover..........	15,319,500	First National.....	32,122,300
Metropolitan......	9,174,000	Am. Exchange...	14,731,000	Fourth National...	26,782,600
Am. Exchange....	8,073,000	Commerce........	13,862,100	Chemical..........	25,644,600
Bank of N. Y......	7,614,200	City..............	10,822,900	Imp. & Traders....	24,612,000
America..........	6,724,600	Manhattan Co...	10,663,000	Commerce.........	22,987,200
Central National..	6,620,000	Bank of N. Y....	10,540,000	Am. Exchange....	22,545,000
City..............	5,810,000	America..........	10,336,300	America...........	21,761,400
Third National....	5,803,900	Republic..........	10,009,800	Republic..........	18,970,300
Merchants'........	5,263,900	Chase.............	9,243,300	Manhattan Co......	16,887,000
Hanover..........	5,051,300	Central...........	8,685,000	Merchants'........	14,637,900
Mechanics'........	4,521,600	Western..........	8,418,700	Central National..	14,440,000
Manhattan Co....	3,957,200	Mercantile........	7,914,400	Bank of N. Y......	14,200,000
Total 17 banks..	$137,305,100	17 banks........	$241,144,300	17 banks..........	$519,557,300
Total 58 " ..	206,209,700	63 "	400,314,600	63 "	745,796,000

A powerful incentive to activity both in speculation and in legitimate business is to be found in the extraordinary production of the precious metals. At no previous time in the world's history has the production either of gold or silver been as great as it is now. The Director of the Mint only recently published his report on the production of precious metals in 1897. This shows an output of gold in the world of $237,504,800, exceeding that of 1896 by about $35,000,000 and of 1895 by $38,000,000. The United States produced $57,363,000, an increase of $4,000,000 and of $11,000,000 over 1896 and 1895 respectively. The yield last year in the United States was the largest of any year excepting only 1852, 1853 and 1854, when it was from $60,000,000 to $65,000,000 a year.

The yield of silver in the world was $236,730,300 coining value, an amount exceeding all previous records, but the production of silver in the United States was only $69,637,172, a decrease of $6,000,000 from 1896 and of $12,000,000 from 1892, when the output was the largest recorded. The following table shows the annual production since 1890, both for the world and the United States:

	World.		United States.	
	Gold.	Silver.	Gold.	Silver.
1890	$118,848,700	$163,032,000	$32,845,000	$70,465,000
1891	130,650,000	177,352,300	33,175,000	75,417,000
1892	146,651,500	198,014,400	33,000,000	82,101,000
1893	157,494,800	213,944,400	35,955,000	77,576,000
1894	181,175,600	212,829,600	39,500,000	64,000,000
1895	199,304,100	216,292,500	46,610,000	72,051,000
1896	202,956,000	213,463,700	53,088,000	76,069,000
1897	237,504,800	236,730,300	57,363,000	69,637,172

Africa has outstripped the United States as a producer of gold, and Australasia promises to do so this year. It is estimated that this country will produce $63,000,000 gold this year and the world $270,000,000. Compared with 1890, that is an enormous increase and settles for some time to come all question of "gold starvation."

Important, however, as is the gold and silver mining industry of this country as a wealth-producing factor, it plays only a minor part in the development of the country. We are reminded of this fact by the statistics just published by the Chief of the Division of Mineral Resources, United States Geological Survey, Hon. David T. Day, showing the quantity and value of metallic and non-metallic products of the United States in 1897. Gold and silver are included in the total value, which is $682,312,347, an increase of nearly $9,000,000 over 1896 and of $105,000,000 compared with 1894. Exclusive of gold and silver the increase is $11,000,000 over 1896 and $82,000,000 over 1894. We give the values of some of the principal products and the total for all in each of the past six years:

	Pig iron.	Bituminous coal.	Anthracite coal.	Copper.	Petroleum.	Total mineral products.
1892	$131,161,039	$125,124,381	$82,442,000	$37,977,142	$26,034,096	$648,675,088
1893	84,810,426	122,751,618	85,687,078	32,054,601	28,932,326	574,299,886
1894	65,007,247	107,653,501	78,488,063	33,141,142	35,522,095	527,144,381
1895	105,198,550	115,749,771	82,019,272	38,682,347	57,632,296	622,626,685
1896	90,250,000	114,891,515	81,748,651	49,456,603	58,518,709	623,737,283
1897	95,122,299	119,740,053	79,129,126	54,080,180	40,929,611	632,312,347

The values were less in 1897 than in 1892, the only year with which the comparison is unfavorable. Had the prices ruling in 1892 been obtained in 1897, however, the values last year would have largely exceeded those of any other year, for we produced 9,652,680 tons of pig iron in 1897 against 9,157,000 tons in 1892; 147,789,902 tons of bituminous coal against 126,856,567 tons; 46,814,074 tons of anthracite coal against 46,850,450 tons, only a slight decrease; 491,638,000 pounds of copper against 352,971,744 pounds; 60,568,081 barrels of petroleum against 50,509,136 barrels, and other products show similar increases.

In connection with this demonstration of industrial progress we may cite an illustration in the manufacturing line. It is not so many years ago that wire nails were a novelty; they have not been in use much more than fifteen years. Six years ago the total production of wire nails in the United States was about 472,000,000 pounds; last year there were nearly 900,000,000 pounds produced. Ten years ago we exported 1,547,000 pounds of wire nails in a single fiscal year; in the year ended June 30, 1898, we exported 22,894,000 pounds.

We have had frequent occasion to refer to the movements of our foreign trade, as they have been making new records for a long time past. It seems proper to incorporate here some figures sent to us by the Chief of the Bureau of Statistics, as they serve to show the solid basis upon which the present and prospective prosperity of this country is being built. The Bureau of Statistics figures show the exports of merchandise for the nine months ended August 31 of each of the past eleven years, giving the exports of manufactures and of production of agriculture separately. We give them with the total imports as follows:

NINE MONTHS ENDED SEPTEMBER 30.	*Total imports.*	*Total exports.*	*Exports of manufactures.*	*Exports of products of agriculture.*
1888	$544,511,634	$445,355,256	$99,840,074	$304,717,362
1889	582,879,612	529,558,161	111,082,174	370,232,478
1890	625,821,959	563,468,545	113,972,628	404,798,483
1891	627,145,819	627,670,414	126,911,057	455,916,958
1892	636,106,009	658,836,620	111,287,911	498,844,607
1893	625,381,972	587,040,111	129,601,991	413,812,710
1894	508,589,571	562,278,557	183,292,860	387,720,139
1895	600,981,988	546,424,359	145,793,834	355,977,906
1896	522,088,289	650,956,354	184,807,004	416,364,411
1897	588,743,315	732,508,865	212,357,671	466,635,549
1898	475,360,898	854,208,502	227,822,045	571,294,955

Although the imports have fallen off tremendously and were smaller in the nine months of this year than for any similar period since 1885, our exports show the very opposite. In no previous year were the exports as large as they were this year, while the exports of manufactures have more than doubled since 1892, and are $128,000,000 greater than in 1888. The increase in this class of exports has been even greater than in agricultural products.

The increase in exports of manufactures is highly encouraging, and a further and constant growth along the same lines is looked for. So shrewd a manufacturer as Andrew Carnegie declares that "our export trade in iron and steel has come to stay, and it is only beginning." Both Great Britain and Germany are at a disadvantage as compared with the United States, and Mr. Carnegie says that it is believed that in a short time one-third of the entire steel output of the Carnegie Steel Company, over 200,000 tons a month, will go abroad.

Mr. Carnegie also predicts that a ship-building yard will be established in New York, and capital will see a good chance in it, for steel and wood work are both cheaper in New York than in Belfast and on the Clyde.

While the general industrial situation presents the most encouraging features, the one unfavorable quantity is still to be found in the cotton trade. Even when nearly every other commodity shows an advance in price cotton either declines or sticks near bottom figures. Effects usually follow causes, and the low price of cotton seems to be the result solely of excessive production, and the American planter, if statistics count for anything, is the responsible party.

The United States produces eighty-five per cent. of the world's supply of cotton. In 1872 this country produced 1,384,084,494 pounds of cotton and the rest of the world less than 600,000,000 pounds. In 1898 the production in this country was 5,677,372,051 pounds, while the production of other countries is almost the same as in 1872. The average price of cotton has fallen from 22.19 cents per pound in 1872 to 6.23 cents in the year ended August 31, 1898. The price in 1872 was based on currency values, but even on a gold basis the average would have been about 20 cents. During the same time the average price of print cloths has fallen from 7.88 cents per yard to 2.17 cents per yard. The increase in production and decline in prices are shown in the following table.

The prices therein given come down only to August 31, but since that date have gone even lower, the price for raw cotton in New York being 5 7-16 cents as against

YEAR ENDED AUGUST 31.	*Cotton crop.*	*Average price of cotton per pound.*	*Average price of print cloths per yard.*
	Pounds.	Cents.	Cents.
1872....................................	1,384,084,494	22.19	7.88
1882....................................	2,588,240,050	11.56	3.76
1890....................................	3,367,366,183	11.07	3.34
1891....................................	4,316,043,962	8.60	2.95
1892....................................	4,506,575,984	7.71	3.39
1893....................................	3,352,658,458	8.56	3.30
1894....................................	3,769,381,478	6.92	2.75
1895....................................	5,036,964,409	7.44	2.86
1896....................................	3,592,416,351	7.98	2.60
1897....................................	4,397,177,704	7.74	2.47
1898....................................	5,667,372,051	6.23	2.17

6 cents a year ago, and print cloths are 2 cents as against 2⅜ cents a year ago. The price is the same as that of a month ago, although wheat advanced 2⅝ cents, corn 4 cents and oats 3 cents, while provisions generally are higher.

THE MONEY MARKET.—The local money market is again dominated by conditions which are bringing rates down to the lowest level. The Treasury is paying out much more than it receives while increasing its deposits in banks. The flow of money is from the interior to New York, and the banks outside of this city are reporting reserves in excess of what they usually carry. The supply of gold has reached such a point that the use of that metal in payment at the Custom-House is greater than ever before known.

At the close of the month call money ruled at 1½ to 2 per cent., the average rate being 1¾ per cent. Banks and trust companies quote 2 per cent. as the minimum. Time money on Stock Exchange collateral was quoted at 2½ per cent. for 60 to 90 days, 3 per cent. for four to five months, and 3 @ 3½ per cent. for six months. For commercial paper the rates are 3¼ @ 3½ per cent. for 60 to 90 days endorsed bills receivable, 3½ @ 4¼ 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.

MONEY RATES IN NEW YORK CITY.

	June 1.	*July 1.*	*Aug. 1.*	*Sept. 1.*	*Oct. 1.*	*Nov. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	1 —1¾	1 —1¼	1 —1½	2 —2½	3 —4	1½—2
Call loans, banks and trust companies.	1½—2	1½—	1½—	2½—	3½—4	2 —
Brokers' loans on collateral, 30 to 60 days	2¼—2½	2½—	2½—	2½ —3	3½—	2½—
Brokers' loans on collateral, 90 days to 4 months	3 —	2½—3	2½—3	3½—4	3½—4	2½—3
Brokers' loans on collateral, 5 to 7 months	3½—	3 —3½	3 —3½	4 —	4 —	3 —3½
Commercial paper, endorsed bills receivable, 60 to 90 days	3¾—	3 —3½	3½—3¾	4 —	3¾—4¼	3¼—3½
Commercial paper prime single names, 4 to 6 months	4 —4½	3½—4	3¾—4¼	4 —5	4 —4½	3½—4¼
Commercial paper, good single names, 4 to 6 months	5 —6	4½—5½	4½—5½	5 —6	5 —6	4½—5

NEW YORK CITY BANKS.—At no previous time in the history of the banks of this city have there been such extraordinary movements of money as have been witnessed in the last few months. In one month—September, we noted the decrease of about $60,000,000 in deposits and of $30,000,000 in loans. Now for October we have to record an increase of $60,000,000 in deposits and of nearly $32,000,000 in loans. Both items are nearly the largest ever reported. The specie holdings of the banks have increased about $32,000,000 since the middle of September, and while not as large as they were last summer, are likely to increase until a new record is made. The surplus reserve is now in excess of $26,000,000, and the fear of a deficit and of tight money has entirely disappeared.

New York City Banks—Condition at Close of each Week.

	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
Oct. 1...	$635,572,800	$136,314,400	$54,544,800	$702,128,200	$15,327,150	$15,498,400	$774,094,900
" 8...	636,880,100	142,850,600	53,594,700	710,806,800	18,743,600	15,473,200	889,055,600
" 15...	646,408,400	147,945,100	53,502,500	727,144,200	19,661,550	15,496,600	818,890,100
" 22...	657,011,300	156,050,800	53,809,800	745,793,100	23,412,825	15,515,600	793,330,600
" 29...	667,232,600	161,346,500	55,138,600	761,574,200	26,091,550	15,538,500	791,119,000

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	35,720,800
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	696,006,400	53,704,600
July..........	499,046,900	20,328,275	604,983,700	41,384,875	750,074,600	62,013,550
August........	485,014,000	17,728,600	623,045,000	45,720,150	741,680,100	41,904,475
September....	451,934,800	8,836,200	636,996,000	39,517,700	752,389,800	14,990,050
October.......	454,733,100	16,526,025	619,353,200	15,550,400	702,128,200	15,327,150
November	446,445,900	17,463,225	625,339,000	24,271,800	761,574,200	26,091,550
December.....	490,634,300	31,411,625	666,278,600	22,122,950		

Deposits reached the highest amount, $765,013,800, on August 20, 1898, loans, $672,173,900, on September 3, 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.
Oct. 1......	$63,368,800	$67,440,500	$3,385,700	$3,889,500	$7,762,700	$2,494,300	$672,075
" 8......	63,170,900	67,908,300	3,409,700	3,920,000	8,155,800	2,313,300	821,725
" 15......	63,292,200	67,980,000	3,346,800	3,987,700	8,292,500	2,578,300	1,210,300
" 22......	63,266,500	69,276,200	3,382,200	4,085,500	8,998,400	2,682,500	1,824,550
" 29......	62,805,500	68,183,400	3,408,400	4,006,600	8,674,500	2,587,300	1,630,950

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.
Oct. 1........	$189,466,000	$195,518,000	$17,024,000	$6,579,000	$6,096,000	$92,455,500
" 8........	189,976,000	202,309,000	16,877,000	6,243,000	6,098,000	113,892,900
" 15........	189,831,000	203,289,000	16,136,000	6,455,000	6,068,000	108,271,000
" 22........	187,085,000	203,004,000	16,065,000	6,858,000	6,099,000	102,678,800
" 29........	186,227,000	204,804,000	16,162,000	6,934,000	6,098,000	108,951,600

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Oct. 1....................	$124,165,000	$134,937,000	$36,849,000	$5,923,000	$66,308,200
" 8....................	124,418,000	136,250,000	38,434,000	5,921,000	77,551,600
" 15....................	124,610,000	137,926,000	39,350,000	5,928,000	69,427,500
" 22....................	124,656,000	138,039,000	39,528,000	5,926,000	71,190,200
" 29....................	123,945,000	137,777,000	40,143,000	5,916,000	54,496,406

EUROPEAN BANKS.—The three leading European banks all lost gold last month—the Bank of England, $7,500,000; the Bank of France, $5,000,000, and the Bank of Germany, $15,000,000. The Bank of England holds within $1,500,000 of much as it did a year ago, but the Bank of France has lost nearly $24,000,000, and Germany more than $8,000,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	January 1, 1898.		October 1, 1898.		November 1, 1898.	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England............	£30,453,493	....	£33,176,964	....	£31,608,431	....
France............	78,114,972	£48,230,367	74,699,418	£49,706,820	73,656,191	£49,120,128
Germany............	29,316,000	15,102,000	27,743,000	14,291,000	24,780,000	12,765,000
Austro-Hungary...	36,475,000	12,334,000	35,234,000	12,576,000	35,382,000	12,501,000
Spain............	9,431,000	10,300,000	10,823,000	5,357,000	11,051,000	5,850,000
Netherlands........	2,629,000	6,820,000	4,315,000	6,794,000	4,315,000	6,671,000
Nat. Belgium.......	2,824,009	1,412,000	2,840,000	1,420,000	2,845,000	1,422,000
Totals...........	£189,243,465	£94,198,367	£188,831,382	£90,144,820	£183,087,622	£87,829,128

MONEY RATES ABROAD.—There has been a general advance in rates for money in European markets. The Bank of Germany first advanced its rate of discount from 4 to 5 per cent. on October 10. The Bank of England followed with an advance from 3 to 4 per cent. on October 13, and the Bank of France on October 20 from 2 to 3 per cent. This is the first change in rate by the last-named bank since March 14, 1895. Discounts of sixty to ninety day bills in London at the close of the month were 3⅞@4 per cent. against 2½@2⅝ per cent. a month ago. The open rate at Paris was 2¾ per cent. against 1⅞ per cent. a month ago, and at Berlin and Frankfort 4½ per cent. against 3⅞@4 per cent. a month ago.

MONEY RATES IN FOREIGN MARKETS.

	Apr. 29.	June 10.	July 8.	Aug. 19.	Sept. 16.	Oct. 14.
London—Bank rate of discount.....	4	3	2½	2½	2½	4
Market rates of discount:						
60 days bankers' drafts......	3⅛—⅝	1⅝—⅞	1⅛	1 1/16	1⅞	3⅝
6 months bankers' drafts....	3½—⅝	1⅞—2	2	2⅜	2⅛	3½—⅝
Loans—Day to day..........	2½	1	½	1	½	2½
Paris, open market rates...........	2	1¾	1¾	1¾	1 11/16	2
Berlin, "	3¼	3½	3⅝	3¼	3⅝	3⅞
Hamburg, "	3⅜	3½	3⅝	3¼	3¾	4
Frankfort, "	3¾	3½	3⅝	3¼	3⅞	4
Amsterdam, "	2⅞	2½	2½	2¼	2	2
Vienna, "	4	3⅞	3⅞	3⅞	4	4
St. Petersburg, "	4¾	5¼	5	4½	4	4
Madrid, "	5	5	5	5	5	5
Copenhagen, "	4	4½	4½	3½	3½	4½

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	July 13, 1898.	Aug. 17, 1898.	Sept. 14, 1898.	Oct. 12, 1898.
Circulation (exc. b'k post bills)..........	£28,106,255	£28,012,030	£27,429,130	£27,704,575
Public deposits............................	7,278,369	7,802,908	8,349,941	7,176,652
Other deposits............................	46,877,855	42,440,108	40,246,040	36,464,251
Government securities.....................	13,791,630	13,858,643	13,413,598	12,901,640
Other securities..........................	33,463,378	30,774,206	29,589,405	28,240,896
Reserve of notes and coin.................	25,040,372	23,772,837	24,021,638	20,291,876
Coin and bullion..........................	36,346,627	34,984,867	34,650,808	31,195,951
Reserve to liabilities....................	46⅛%	47¼%	49⅜%	46 5/16%
Bank rate of discount.....................	2½%	2½%	2½%	3%
Market rate, 3 months' bills..............	1⅛%	1 1/16@1⅛%	1 7/16 @ 1⅝%	3⅝%
Price of Consols (2¾ per cents.)..........	111 1/16	110⅝	109⅞	109⅝
Price of silver per ounce.................	27¼d.	27½d.	28d.	27⅝d.
Average price of wheat....................	36s. 10d.	33s. 8d.	26s. 10d.	26s. 6d.

FOREIGN EXCHANGE.—Rates for sterling exchange have been affected by the lower rates for money here and the higher rates for money abroad. Another influence which late in the month had a pronounced effect upon the market for sterling was the political disturbance in France. The fear of a revolution in that country has caused a considerable transfer of money to England for safety. Some gold continues to come to New York, but the buying of long sterling for investment has kept rates up.

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.*
Oct. 1	4.81½ @ 4.81¾	4.84 @ 4.84¼	4.84½ @ 4.84¾	4.81 @ 4.81¼	4.80½ @ 4.81¼
" 8	4.81¾ @ 4.82	4.84 @ 4.84¼	4.84½ @ 4.84¾	4.81¼ @ 4.81½	4.80½ @ 4.81¼
" 15	4.81½ @ 4.81¾	4.84¼ @ 4.84½	4.84¾ @ 4.85	4.80½ @ 4.81	4.80 @ 4.81
" 22	4.82 @ 4.82¼	4.85 @ 4.85¼	4.85½ @ 4.85¾	4.81 @ 4.81¼	4.80¾ @ 4.81½
" 29	4.82¼ @ 4.82½	4.85½ @ 4.85¾	4.86½ @ 4.86¾	4.81¼ @ 4.81½	4.81 @ 4.82

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	July 1.	*August 1.*	*Sept. 1.*	*Oct. 1.*	*Nov. 1.*
Sterling Bankers—60 days	4.84¼—½	4.83¼—½	4.82¾—3	4.81½—¾	4.82—½
" " Sight	4.85¾—6	4.85—¼	4.84¾—5	4.84—¼	4.85½—¾
" " Cables	4.86—¼	4.85¼—½	4.85¼—½	4.84½—¾	4.86½—¾
" Commercial long	4.83½—4¼	4.82¾—3	4.82¼—½	4.81—¼	4.81½—¾
" Docu'tary for paym't.	4.82¾—3½	4.82¼—½	4.81¾—2¼	4.80½—1¼	4.81—2
Paris—Cable transfers	5.19⅜—8¾	5.19⅜—	5.20 1/16—20	5.21⅞—¼	5.20⅝—
" Bankers' 60 days	5.21¼—20⅝	5.21⅞—¼	5.22½—	5.23¾—	5.24⅜—3¾
" Bankers' sight	5.19⅜—	5.20—19⅞	5.20⅝—	5.22½—1⅞	5.21⅞—¼
Antwerp—Commercial 60 days.	5.23⅛—2⅛	5.23¾—	5.24⅜—3¾	5.26⅞—¼	5.26¼—
Swiss—Bankers' sight	5.20⅝—1 1/16	5.21¼—20⅝	5.21⅞—	5.23⅛—2½	5.23⅛—2⅛
Berlin—Bankers' 60 days	94¾—11/16	94 9/16—⅝	94⅜—7/16	94¼—5/16	94¼—5/16
" Bankers' sight	95¼—5/16	95 1/16—⅛	95—	94⅞—15/16	94⅞—15/16
Brussels—Bankers' sight	5.20—19⅞	5.20—	5.21¼—	5.23⅛—	5.23¾—
Amsterdam—Bankers' sight	40¼—5/16	40¼—5/16	40 3/16—¼	40 1/16—⅛	40 1/16—⅛
Kronors—Bankers' sight	26 13/16—⅞	26 13/16—⅞	26 13/16—⅞	26¾—13/16	26¾—13/16
Italian lire—sight	5.58½—5⅛	5.61⅛—58⅛	5.58¾—55¾	5.62½—59⅛	5.66½—2⅛

NATIONAL BANK CIRCULATION.—Nearly $6,000,000 of Government bonds were deposited last month as security for National bank circulation, and an increase of $4,189,331 in notes outstanding is reported for the month. The banks deposited nearly $11,000,000 more of the new three per cent. bonds as security for circulation and $2,000,000 as security for Government deposits, making over $58,500,000 of the new bonds now held by the National banks for these purposes.

NATIONAL BANK CIRCULATION.

	July 31, 1898.	*Aug. 31, 1898.*	*Sept. 30, 1898.*	*Oct. 31, 1898.*
Total amount outstanding	$226,696,870	$227,178,615	$235,356,950	$239,546,281
Circulation based on U. S. bonds	195,692,685	197,839,965	205,056,063	210,579,188
Circulation secured by lawful money	31,004,185	30,402,911	30,300,887	29,500,825
U. S. bonds to secure circulation:				
Pacific RR. bonds, 6 per cent	3,665,000	3,106,000	3,206,000	2,908,000
Funded loan of 1891, 2 per cent	22,104,250	22,005,750	21,730,150	22,047,750
" " 1907, 4 per cent	147,304,100	145,335,600	142,640,700	139,436,050
Five per cents. of 1894	17,906,150	17,461,400	17,219,900	16,231,900
Four per cents. of 1895	27,546,150	26,218,650	24,987,150	23,990,650
Three per cents. of 1898	....	6,373,760	20,176,220	31,006,120
Total	$218,525,650	$220,496,160	$229,960,120	$235,618,470

The National banks have also on deposit the following bonds to secure public deposits: Pacific Railroad 6 per cents., $2.006,000; 2 per cents of 1891, $1.634,500; 4 per cents of 1907, $23,160,000; 5 per cents. of 1894, $7,897,000; 4 per cents. of 1895, $9,137,500; 3 per cents. of 1898, $27,538,100; a total of $70,875,100.

The circulation of National gold banks, not included in the above statement, is $83,035.

GOLD AND SILVER COINAGE.—The coinage at the United States mints in October aggregated $8,600,841, as follows: Gold, $5,180,000; silver, $3,354,191; minor, $66,650. There were $2,002,000 of standard dollars coined out of silver on hand.

COINAGE OF THE UNITED STATES.

	1897.		1898.	
	Gold.	*Silver.*	*Gold.*	*Silver.*
January	$7,803,420	$1,964,300	$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	1,488,189
April	8,800,400	1,535,000	8,211,400	948,000
May	4,489,950	1,600,000	7,717,500	1,483,000
June	2,100,547	1,856,754	6,903,982	1,432,185
July	377,000	260,000	5,853,900	1,027,834
August	8,756,250	701,486	9,344,200	2,350,000
September	8,762,375	1,050,082	7,385,315	2,178,389
October	8,845,000	2,301,000	5,180,000	3,354,191
November	8,544,000	2,103,000		
December	3,626,642	1,977,167		
Year	$76,028,484	$18,486,697	$63,487,012	$17,006,302

SILVER.—The cessation of purchases of silver for India caused the price of the metal to decline in London, but after touching 27 9-16d. on October 18 the price recovered to 28¼d. at the close of the month, the same as a month ago.

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 5/8	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 5/8	27 1/8	27
February	31 3/16	30 3/4	29 3/4	29 11/16	26 1/4	25 1/16	August	31 5/8	30 5/8	26 1/2	23 3/4	27 3/4	27 1/16
March	31 13/16	31 1/8	29 5/8	28 1/16	26 7/16	25	Septemb'r	30 11/16	30	27 1/4	23 3/4	28 1/16	27 11/16
April	31 1/16	30 13/16	28 1/2	28 1/16	26 1/16	25 11/16	October	30 1/16	29 5/8	27 1/2	26	28 1/4	27 7/16
May	31 1/16	30 13/16	28 1/16	27 5/8	26 7/8	25 5/8	Novemb'r	30 1/16	29 3/4	27 1/2	26 5/8		
June	31 7/16	31 7/16	27 3/4	27 1/2	27 1/2	26 11/16	Decemb'r	30	29 13/16	27 3/4	25 1/16		

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	$ .50	......	Twenty marks	$4.74	$4.78
Mexican dollars	.47¼	$ .48¼	Spanish doubloons	15.50	15.70
Peruvian soles, Chilian pesos	.43¼	.44¼	Spanish 25 pesos	4.78	4.83
English silver	4.82	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	3.84	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, 28¼d. per ounce. New York market for large commercial silver bars, 61⅛ @ 62⅛c. Fine silver (Government assay), 61⅝ @ 62⅛c.

FOREIGN—TRADE.—The returns of our foreign trade for September show that the export movement is again increasing, the exports being valued at nearly $90,-500,000 or about $6,000,000 more than for August, and $18,000,000 more than for July. It was in September last year that our exports began to show a phenomenal increase largely because of the heavy grain shipments. This year these have been smaller and September exports are $14,000,000 less than last year's. The imports of merchandise were slightly less than in August, but $6,000,000 more than in September, 1897. So while the exports exceed the imports $42,000,000 this year the excess is $20,000,000 less than it was a year ago. For the nine months ended September 30, 1898, the total exports amount to $869,000,000, the largest ever known for a similar period, while the net exports were nearly $894,000,000, also the largest ever reported. We imported net $13,700,000 gold in September, making nearly $115,000,000 in nine months, which also surpasses all previous records.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF SEPTEMBER.	MERCHANDISE.			*Gold Balance.*	*Silver Balance.*
	Exports.	*Imports.*	*Balance.*		
1893.................	$72,028,798	$46,300,612	Exp., $25,728,186	Imp., $5,242,085	Exp., $2,827,298
1894.................	58,798,675	50,647,698	" 8,150,977	" 467,895	" 2,462,541
1895.................	58,540,063	65,305,320	Imp., 6,765,257	Exp., 16,506,555	" 2,678,269
1896.................	85,131,098	50,855,990	Exp., 34,275,108	Imp., 34,253,454	" 3,723,690
1897.................	104,540,912	42,429,126	" 62,111,786	" 4,580,259	" 1,497,854
1898.................	90,495,638	48,250,209	" 42,245,429	" 13,717,231	" 2,651,300
NINE MONTHS.					
1893.................	603,221,873	625,325,372	Imp., 22,103,499	Exp., 10,317,882	Exp., 18,418,460
1894.................	576,618,276	508,590,042	Exp., 78,028,234	" 78,402,007	" 22,880,889
1895.................	557,927,466	601,043,139	Imp., 43,115,673	" 48,370,884	" 21,655,448
1896.................	666,061,890	522,088,289	Exp., 143,973,601	Imp., 9,260,099	" 25,343,661
1897.................	746,238,242	588,754,903	" 157.483,339	Exp., 16,074,746	" 18,725,417
1898.................	869,127,868	475,172,777	" 393,955,091	Imp., 114,625,949	" 17,119,134

GOVERNMENT REVENUES AND DISBURSEMENTS.—The revenues and expenditures of the Government in October were about the same as in September and another deficit of over $14,000,000 is the result, making a total deficit of $73,687,586 since July 1. Internal revenue receipts show an increase over those of September of about $800,000 and it is evident may be counted upon to yield in the neighborhood of $275,000,000 per annum. The war expenditures continue heavy, nearly $23,000,000 having been disbursed in October, but the navy disbursements dropped to about $5,000,000.

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	167,623,182
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	44,314,062	181,238,137
May................	29,797,390	29,109,259	144,319,562	30,074,818	47,849,909	171,818,055
June................	36,584,708	22,934,694	140,790,788	33,509,313	47,852,281	167,004,410
July................	39,027,364	50,100,909	140,817,699	43,847,108	74,263,475	189,444,714
August................	19,023,615	33,588,047	144,216,377	41,782,707	56,260,717	217,904,485
September................	21,933,098	25,368,815	147,663,105	39,778,070	54,223,921	242,297,543
October................	24,391,415	33,701,512	153,573,147	39,630,051	53,982,276	*240,645,651
November................	43,363,605	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 TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.			EXPENDITURES.		
Source.	*October, 1898.*	*Since July 1, 1898.*	*Source.*	*October, 1898.*	*Since July 1, 1898.*
Customs.............	$15,555,234	$63,734,188	Civil and mis.........	$10,991,284	$37,151,550
Internal revenue...	22,356,512	94,098,433	War.................	22,895,029	107,520,368
Miscellaneous.......	1,718,305	7,205,316	Navy	5,314,568	27,459,577
			Indians..............	987,970	3,551,847
Total.............	$39,630,051	$165,037,937	Pensions............	9,965,960	46,646,071
			Interest............	3,877,465	16,396,609
Excess of expenditures.............	$14,352,225	$73,687,586	Total............	$53,982,276	$238,725,523

UNITED STATES TREASURY CASH RESOURCES.

	July 30.	*August 31.*	*Sept. 30.*	*Oct. 31.*
Net gold	$189,803,578	$216,287,617	$243,471,722	$240,645,651
Net silver	13,909,103	10,381,908	7,870,723	8,183,646
U. S. notes	46,630,137	54,130,487	38,629,880	20,945,320
Miscellaneous assets (less current liabilities)	*46,938,754	*50,239,378	*59,021,181	*60,840,141
Deposits in National banks	57,532,929	65,254,168	80,649,609	95,243,828
Available cash balance	$260,936,993	$295,814,806	$311,600,754	$304,178,304

* Excess of liabilities.

UNITED STATES PUBLIC DEBT.—Nearly $37,000,000 of the new bonds were added to the bonded debt as reported in the public debt statement last month, leaving about $20,600,000 yet to be included. The net debt less cash in the Treasury increased $48,500,000 in October, making over $98,000,000 since September 1.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1898.	*Sept. 1, 1898.*	*Oct. 1, 1898.*	*Nov. 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	559,646,850	559,646,900	559,646,900
Refunding certificates, 4 per cent	44,220	41,060	40,980	40,980
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
Ten-Twenties of 1898, 3 per cent	....	74,845,020	142,720,820	179,399,180
Total interest-bearing debt	$847,365,620	$922,212,800	$990,088,600	$1,026,766,960
Debt on which interest has ceased	1,330,270	1,259,030	1,256,790	1,246,870
Debt bearing no interest:				
Legal tender and old demand notes	346,735,863	346,735,013	346,735,013	346,735,013
National bank note redemption acct.	32,268,146	30,266,206	30,072,331	29,572,380
Fractional currency	6,886,937	6,884,752	6,883,974	6,883,974
Total non-interest bearing debt	$385,890,446	$383,885,971	$383,691,318	$383,191,367
Total interest and non-interest debt	1,234,586,337	1,307,357,802	1,375,036,708	1,411,205,197
Certificates and notes offset by cash in the treasury:				
Gold certificates	38,128,149	37,119,149	36,990,799	36,940,149
Silver "	387,925,504	401,107,504	400,062,504	398,753,504
Certificates of deposit	44,555,000	20,560,000	18,455,000	20,105,609
Treasury notes of 1890	106,348,280	99,260,280	98,549,280	97,833,280
Total certificates and notes	$576,956,933	$558,046,933	$554,057,583	$553,631,983
Aggregate debt	1,811,543,270	1,865,404,735	1,929,094,291	1,964,837,130
Cash in the Treasury:				
Total cash assets	861,391,370	927,144,646	940,135,524	933,249,397
Demand liabilities	625,916,601	632,657,562	632,578,021	633,011,122
Balance	$235,474,769	$294,487,084	$307,557,503	$300,238,275
Gold reserve	100,000,000	100,000,000	100,000,000	100,000,000
Net cash balance	135,474,769	194,487,084	207,557,503	200,238,275
Total	$235,474,769	$294,487,084	$307,557,503	$300,238,275
Total debt, less cash in the Treasury	999,111,568	1,012,870,718	1,067,479,205	1,110,966,922

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1898.	*Sept. 1, 1898.*	*Oct 1, 1898.*	*Nov. 1, 1898.*
Gold coin	$547,568,360	$630,693,166	$622,649,812	$649,846,727
Silver dollars	61,491,073	57,738,313	60,788,828	63,437,255
Subsidiary silver	65,720,308	64,759,523	66,587,940	68,878,952
Gold certificates	36,557,689	35,473,009	35,393,909	35,338,909
Silver certificates	376,695,592	392,990,373	393,425,735	391,177,575
Treasury notes, Act July 14, 1890	103,443,936	94,920,654	96,704,283	96,569,780
United States notes	262,480,927	272,395,581	291,660,165	306,301,620
Currency certificates, Act June 8, 1872	43,315,000	20,280,000	17,635,000	20,055,000
National bank notes	223,827,755	222,845,926	231,750,720	234,969,964
Total	$1,721,100,640	$1,792,096,545	$1,816,596,392	$1,866,575,782
Population of United States	73,725,000	74,790,000	74,925,000	75,059,000
Circulation per capita	$23.34	$23.96	$24.24	$24.87

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 October, 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.		OCTOBER, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	17	9⅛	18⅝—Feb. 7	10¼ Apr. 21	13	12¼	12½
" preferred	35½	17	37½—Aug. 27	22⅞—Mar. 12	36¼	31⅝	35⅝
Baltimore & Ohio	21⅛	9	45½—Sept. 19	12⅜—Jan. 25	45½	40⅛	45
Bay State Gas	16¾	3⅞	5⅛—Jan. 21	2⅜—Mar. 21	8¼	2¾	2¾
Brooklyn Rapid Transit	37⅝	18⅝	69¾—Aug. 22	35 —Mar. 12	67½	61¾	66¼
Canadian Pacific	82	46½	90½—Jan. 20	72 —Apr. 21	85⅜	80	82½
Canada Southern	62½	44½	57⅜—Feb. 5	44½—Mar. 12	53½	52	53⅛
Central of New Jersey	103¼	68¼	98¼—Jan. 7	83¼—Oct. 17	91¾	83¼	87¾
Central Pacific	18	7⅛	26¾—Sept. 23	11 —Apr. 23	26½	24	25⅞
Ches. & Ohio vtg. ctfs	27⅛	15⅝	26 —Aug. 17	17¼—Mar. 26	22⅜	20¾	21¾
Chicago & Alton	170	140	166⅞—Jan. 14	150 —Mar. 14	157¼	152½	155
Chicago, Burl. & Quincy	102¼	69⅜	120 —Aug. 18	85⅞—Mar. 26	117⅝	113⅛	115⅞
Chicago & E. Illinois	61	37¼	66 —June 1	49 —Apr. 19	55½	52⅞	53
" preferred	103	95	113½—Feb. 1	102 —Jan. 7	106	106	106
Chicago Gas	103¾	73¼	....	....	....	....	....
Chicago, Great Western	20⅝	3⅝	18 —Aug. 22	9½—Feb. 24	15	13¾	14⅛
Chic., Indianapolis & Lou'ville	13	8	10⅜—Aug. 9	7 —Feb. 24	8⅝	7	7¾
" preferred	38¼	26	38½—July 27	23 —Apr. 16	29¾	25½	25½
Chic., Milwaukee & St. Paul	102	69¼	115 —Sept. 8	83¼—Apr. 21	110¼	105⅝	109⅛
" preferred	146	130½	163 Oct. 27	140 —Apr. 25	163	154	161¼
Chicago & Northwestern	132½	101¾	136⅞—Aug. 23	113¼—Mar. 12	132¾	128¾	132¼
" preferred	165½	153	178 —Oct. 21	163 —Jan. 3	178	175	177½
Chicago, Rock I. & Pacific	97¼	60¼	108⅜—June 1	80 —Mar. 25	104¼	99½	102⅞
Chic., St. Paul, Minn. & Om.	89½	47	87 —Aug. 17	65 —Mar. 12	82½	77½	81¾
" preferred	150⅝	133	162 —Oct. 31	148 —Jan. 5	162	159½	162
Clev., Cin., Chic. & St. Louis	41½	21⅛	47½—Aug. 16	25 —Mar. 12	40⅞	38	39⅛
" preferred	86½	63	90½—Aug. 16	77½—Mar. 9	88	88	88
Col. Coal & Iron Devel. Co.	2	⅜	⅞—Jan. 28	¼—Apr. 7	....	....	....
Col. Fuel & Iron Co.	27⅞	15¾	26⅝—Jan. 11	17 —Mar. 12	23	20⅛	23
Col. Hocking Val. & Tol	18	1½	8¼—Feb. 10	3— Oct. 31	6	3	3
" preferred	46	14	27½—Feb. 10	17 —Jan. 7	....	....	....
Consolidated Gas Co.	241½	136½	205½—June 9	164 —Oct. 3	188½	164	185¾
Delaware & Hud. Canal Co.	123	99⅝	114½—Feb. 3	101 —Oct. 31	106½	101	101¼
Delaware, Lack. & Western	164	146½	159 —Feb. 5	140 —Oct. 19	151	140	143
Denver & Rio Grande	14¾	9¼	15½—Sept. 7	10 —Apr. 26	13⅝	12¼	13½
" preferred	50½	36	58⅝—Sept. 6	40 —Apr. 21	55¾	52½	55½
Edison Elec. Illum. Co., N. Y.	132½	101¾	141 —Oct. 28	119 —Apr. 8	141	119	141
Erie	19	11½	16¼—Feb. 4	11 —Apr. 21	13⅝	11¾	12⅝
" 1st pref	46⅝	27	43⅜—Feb. 11	29¼—Apr. 22	33½	31½	32¾
" 2d pref	25⅝	15½	21⅜—Feb. 11	15½—Apr. 22	17¼	16¼	16⅝
Evansville & Terre Haute	34	20	34 —Sept. 26	22 —May 9	33½	32	32
Express Adams	165	147¼	180 —Feb. 10	97¼—Apr. 29	113	108	110
" American	119½	109½	140 —July 20	116 —Jan. 5	136¾	130	136¾
" United States	48	37	45 —Feb. 9	38 —Apr. 14	44	41	43⅞
" Wells, Fargo	120	97	125 —Aug. 31	112½—May 5	121½	119	119
Great Northern, preferred	141	120	180 —June 30	122 —July 1	140¾	138¾	137
Illinois Central	110¾	91½	115 —Sept. 6	96 —Apr. 21	111½	107½	108½
Iowa Central	13¾	6	10½—Aug. 22	7¼—Mar. 18	9	8½	9
" preferred	41¾	23	37⅞—Aug. 16	25 —Apr. 28	34	32	34
Laclede Gas	49¾	22	54⅜—Aug. 9	37½—Mar. 25	49¾	46	48½
" preferred	96	70¼	96¼—Aug. 8	85 —Mar. 12	93¾	90	93
Lake Erie & Western	22½	13	23½—Aug. 22	12 —Oct. 11	16	12	13½
" preferred	79⅞	58¼	83 —Aug. 19	53 —Oct. 19	73¼	53	63½
Lake Shore	181	152	198 —Aug. 4	170¾—Jan. 4	....	....	....
Long Island	55	38	59½—Aug. 10	40 —Jan. 20	....	....	....
Louisville & Nashville	63⅞	40⅛	60½—Jan. 31	44 —Apr. 21	57½	53⅝	57
Manhattan consol	118	81¾	120¼—Jan. 14	90 —Oct. 3	97¾	90	95¾
Metropolitan Street	133½	99¾	171½—Feb. 14	125¼—Mar. 26	167	156½	160½
Michigan Central	111⅞	90	114⅞—Feb. 8	99½—Mar. 12	107½	106	107½
Minneapolis & St. Louis	31½	16	30⅞—Feb. 15	24 —Mar. 11	27¾	26	27½
" 1st pref	90	77¾	91 —June 27	84 —May 14	91	90	91
" 2d pref	62¾	46	63 —June 8	46 —Mar. 26	60½	59⅛	60
Missouri, Kan. & Tex.	16⅞	10	14¼—Jan. 26	10 —Apr. 13	11	10½	10⅞
" preferred	42	24¾	41 —Jan. 28	28¾—Mar. 12	33⅞	29½	33¼

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1897.		Highest and Lowest in 1898.		October, 1898.		
	High.	Low.	Highest.	Lowest.	High.	Low.	Closing.
Missouri Pacific	40¼	10	38⅝—Aug. 11	22 —Mar. 12	33⅝	31¼	32½
Mobile & Ohio	32	18	32½—Feb. 7	24¾—Apr. 19	27½	27¼	27¼
N. Y. Cent. & Hudson River	115½	92½	120½—Aug. 8	105 —Mar. 26	116½	113½	114¾
N. Y. Chicago & St. Louis	17⅝	11	15⅝—Jan. 31	11⅝—Mar. 14	....	....	....
" 1st preferred	81½	67⅝	76 —Jan. 31	65 —May 10	....	....	....
" 2d preferred	43½	24	40¼—Jan. 29	28 —Mar. 25	....	....	....
N. Y., New Haven & Hartf'd.	186	160	196¼—Aug. 18	178¼—Jan. 7	192	189	189
N. Y., Ontario & Western	20⅛	12¾	18⅞—Feb. 2	13⅜—Apr. 25	15½	14¼	14½
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	....	....	....
" preferred	48⅛	17	56¼—Feb. 7	42½—Mar. 12	51½	48	50
North American Co.	6⅛	3⅝	7¼—Aug. 23	4¼—Jan. 15	6½	6	6¼
Northern Pacific tr. receipts.	22⅜	11	42½—Sept. 16	19 —Feb. 24	42½	38⅛	39½
" pref tr. receipts	61⅝	32⅛	79⅞—Sept. 6	56⅞—Mar. 12	76¾	74¼	75¾
Oregon Railway & Nav.	41	10	61⅛—Aug. 22	35½—Jan. 7	58	52½	52½
" preferred	73½	37⅞	77½—Aug. 31	65½—Mar. 29	76	73	75
Oregon Short Line	23¾	10⅞	37¾—Aug. 27	19⅜—Jan. 8	30	26	28½
Pacific Mail	39¼	24	35⅝—Aug. 22	21 —Apr. 21	34	31⅞	33¾
Pennsylvania R. R.	119	103½	120⅝—Feb. 7	110¾—Mar. 12	118¾	116⅛	117⅜
Pitts., Cin. Chic. & St. Louis	39⅛	11½	47½—May 1	38⅝—Jan. 5	44½	42	43
" preferred	70½	44⅛	71 —Feb. 7	57 —Mar. 23	67¼	63	66
Pullman Palace Car Co.	185	152	216 —July 5	165 —Mar. 12	199⅞	189¼	199¾
Reading Voting Tr. ctfs.	29¼	16¼	23⅝—Jan. 6	15½—Mar. 25	18⅛	15¾	16⅛
" 1st prefered	57¾	38½	54⅛—Feb. 8	36 —Mar. 12	43½	37½	39⅞
" 2d preferred	35⅞	22½	29 —Jan. 6	17¾—Oct. 17	20⅝	17¾	18¾
Rome, Wat. Ogdens' g.	122⅛	117	126¼—Oct. 20	116¼—Mar. 26	126¼	125¾	126¼
St. Louis & San Francisco	9	4	9 —Aug. 25	6 —Mar. 26	7⅛	7¼	7⅛
" 1st preferred	59⅝	37	68¼—Aug. 22	52½—Mar. 12	64	61¾	63
" 2d preferred	27½	12	34⅞—Aug. 24	22½—Feb. 24	31¼	29½	29¾
St. Louis & Southwestern	7	1	6¼—Aug. 10	3¾—Jan. 24	6	4⅞	6
" preferred	14⅝	3⅛	14⅛—Aug. 18	7¾—Mar. 12	13⅝	10⅞	12⅝
St. Paul & Duluth	30	20	27 —Aug. 11	18⅛—July 6	21	21	21
" preferred	87½	75	90½—Sept. 2	78 —Apr. 20	90	90	90
St. Paul, Minn. & Manitoba	125	114	172½—Oct. 14	123⅞—Jan. 12	172½	168	168
Southern Pacific Co.	23⅛	13½	25¼—Sept. 28	12 —Apr. 18	23⅞	22¼	22⅞
Southern Railway	12¼	7	10 —Aug. 23	7 —Apr. 21	9	8⅛	8¾
" preferred	38⅜	22⅞	36⅞—Aug. 27	23⅝—Mar. 26	35½	32½	35½
Tennessee Coal & Iron Co.	35⅛	17	34½—Aug. 22	17 —Mar. 12	29½	26¼	29½
Texas & Pacific	15	8	16¾—Aug. 24	8⅜—Mar. 12	14½	13	13¾
Union Pacific trust receipts	27¾	4½	36½—Feb. 1	16½—Mar. 25	33⅝	31½	32⅝
Union Pac., Denver & Gulf	11⅜	1	6⅛—Oct. 26	5¾—Oct. 26	6⅛	5¾	5⅞
Wabash R. R.	9¾	4⅝	9⅛—Aug. 31	4½—Aug. 3	8½	7⅛	7⅝
" preferred	24⅜	11½	24¼—Aug. 31	14¼—Mar. 7	21½	19¼	20⅜
Western Union	96¼	77¼	95⅞—Aug. 17	82¼—Mar. 26	93	90⅜	92¾
Wheeling & Lake Erie	6⅛	½	4¼—Oct. 5	3 —Oct. 24	4¼	3	3½
" preferred	29	2⅝	20½—Oct. 4	16¾—Oct. 29	20½	16¾	17
Wisconsin Central	4⅜	1	3⅞—Jan. 17	⅞—Jan. 6	....	....	....
"Industrial" Stocks:							
American Co. Oil Co.	26⅞	9½	39¾—Aug. 26	15½—Mar. 25	38⅝	33¼	38¼
" preferred	80½	52¼	90⅜—Aug. 22	66 —Mar. 14	87⅝	84	87⅞
American Spirits Mfg Co.	15⅞	6½	15⅜—June 9	6½—Jan. 20	12½	11	11⅝
" preferred	36	15	41¾—Aug. 25	16 —Mar. 26	34¾	32½	34¼
American Sugar Ref. Co.	159½	109½	146⅞—Aug. 26	107½—Mar. 26	118⅝	108¾	118⅜
" preferred	121½	100¼	116 —Jan. 6	103 —Mar. 25	106¾	104⅞	106¼
American Tobacco Co.	96⅜	67½	153¾—Sept. 19	83¾—Jan. 24	143⅝	111¼	142
" preferred	115	100	135½—Aug. 26	112¼—Mar. 26	125¼	115	124
General Electric Co.	41⅜	28⅝	84¾—Sept. 22	76 —Sept. 15	83⅛	77¼	82
National Lead Co.	44	21⅞	39⅝—Aug. 23	26¼—Mar. 26	34⅝	31½	33⅝
" preferred	109¾	88⅜	113½—Aug. 16	99 —Apr. 22	110	109¾	110
National Linseed Oil Co.	23½	10	21⅞—May 23	2½—Sept. 17	7	2¾	6½
National Starch Manfg. Co.	13	8	9 —Feb. 10	5 —Apr. 25	....	....	....
Standard Rope & Twine Co.	11¾	2¾	10½—Aug. 5	3¾—Jan. 3	7⅛	5¾	6⅝
U. S. Leather Co.	10¼	6¼	8⅞—May 24	5¼—Apr. 25	6½	6	6¼
" preferred	72	50½	74½—Aug. 22	53¾—Mar. 26	65⅝	63	65½
U. S. Rubber Co.	25¼	10	48½—Aug. 17	14¼—Mar. 12	43⅝	36⅛	41⅜
" preferred	76⅞	50	109¼—Aug. 17	60 —Mar. 12	104¼	98½	102½

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.*	October Sales. *High.*	October Sales. *Low.*	October Sales. *Total.*
Ala. Midland 1st gold 6s..........1928	2,800,000	M & N	93½	Aug. 31,'98	....	....	....
Ann Arbor 1st g 4's...............1995	7,000,000	Q J	88	Oct. 20,'98	88	87	27,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	120,956,000	A & O	94¾	Oct. 31,'98	95	93	3,313,000
" registered................	....	A & O	93⅞	July 1,'98	....	....	....
" adjustment, g. 4's.....1995	51,728,000	NOV	72¾	Oct. 31,'98	73	69⅛	3,652,500
" 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	98¾	Sept. 30,'98	....	....	....
B. & O. 1st 6's (Parkersburg br.), 1919	3,000,000	A & O	112⅜	Sept. 12,'98	....	....	....
" Trust Co. cfs. of dep......			112	Oct. 19,'98	114⅛	112	17,000
" g. 5's.............1885–1925	10,000,000	F & A	115	Oct. 5,'98	115	115	25,000
" coupons off...............			....	....	....	....	....
" registered................			111¼	Aug. 1,'98	....	....	....
" Speyer & Co. eng. cf. dep.			....	....	....	....	....
" Trust Co. cfs. of dep......			114¾	Oct. 26,'98	114⅞	114¾	52,000
" con. g. 5's............1988	11,988,000	F & A	118½	Sept. 7,'98	....	....	....
" registered................			116	Aug. 22,'98	....	....	....
" J.P.M. & Co. cfs. dep'it....			114¼	July 29,'98	....	....	....
" Trust Co. cfs. of dep.....			118¾	Oct. 29,'98	....	....	....
" bonds of loan of 1853 ext. to 1935 at 4% Tr. Co. cfs.	1,161,000	A & O	118¾	Oct. 28,'98	118¾	117⅜	117,000
" sterling 6% loan of 1872 due 1902 Trust Co. cfs.......	£1,921,800	M & S	....	....	118¾	118	13,000
" sterling 6% loan of 1874 due 1910 Trust Co. cfs.......	£1,990,600	M & N	....	....	....	....	....
" 4½% terml. bonds.....1894 Trust Co. cfs............	8,500,000	J & D	....	....	....	....	....
" sterling 4½% loan of 1883 (Philadelphia Branch).	£2,400,000	A & O	....	....	....	....	....
" ster. 5% loan of 1877 due 1927 (B. & O. & Chic.) Tr. Co. cfs..................	£1,382,200	J & D	....	....	....	....	....
Balti. Belt, 1st g. 5's int. gtd., 1990	6,000,000	M & N	99	Sept. 28,'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	107¾	Oct. 31,'98	107¾	105½	332,000
Colo. & Cin. Midl'd 1st ext 4½'s, 1939	2,000,000	J & J	75	Oct. 6,'98	75	75	2,000
Ak. & Chic. Junc. 1st g. int. g. 5's. 1930	1,500,000	M & N	102½	Nov. 21,'95	....	....	....
" coupons off................			105	Aug. 9,'98	....	....	....
" Tr. Co. cfs. of dep.........			....	....	....	....	....
Pittsb. & Connellsville 1st g. 4's..1946	2,536,000	J & J	107¼	July 28,'98	....	....	....
" Trust Co. cfs. of dep......			....	....	....	....	....
" 1st 7% bds 1898 Tr. Co. cfs.	1,419,000	J & J	....	....	....	....	....
" con. 6% bonds Tr. Co. cfs..	1,315,000	J & J	....	....	....	....	....
B & O. Southwest'n 1st g. 4½'s, 1990	10,667,000	J & J	105	Oct. 7,'98	105	105	10,000
" 1st c. g. 4½'s,..........1993	10,511,000	J & J	82	Sept. 26,'98	....	....	....
" 1st inc. g. 5's ser. "A" 2043	8,651,000	NOV	27½	June 8,'98	....	....	....
" "B".....................2043	9,655,000	DEC	6½	Oct. 27,'98	6½	6½	31,000
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	105	Aug. 23,'98	....	....	....
" 2d con. 7's............1911	2,952,000	A & O	122½	July 12,'98	....	....	....
" 1st Spr'gfield div. 7's, 1905	1,984,000	M & N	100	Oct. 27,'98	103½	100	22,000
" 1st gen. 5's...........1932	405,000	J & D	98	Apl. 2,'92	....	....	....
Brooklyn E. Tr. Co. cfs 1st g. 6s's, 1924	4,373,000	......	89½	Oct. 31,'98	90	89	40,000
" Tr. Co. ctfs. 2d g. 5's..1915	1,246,000	......	....	....	....	....	....
" all instal. paid.............		......	86	June 27,'98	....	....	....
Seas. & B. B. Tr. Co. cfs. 1st g. g. 5's. 1942	1,357,000	......	70½	Dec. 14,'97	....	....	....
" all instal. paid.............		......	....	....	....	....	....
Union Ele. Tr. Co. ctfs. 1st g. g. 6's, 1937	6,124,000	......	91½	Oct. 31,'98	92	90	119,000
Brooklyn Rapid Transit g. 5's...1945	6,398,000	A & O	104	Oct. 27,'98	104¼	103½	42,000

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.	October Sales. High.	October Sales. Low.	October Sales. Total.
Bklyn City R. R. 1st con. 5's 1916.	1941	4,378,000	J & J	114	Oct. 18,'98	115	114	20,000
Bklyn Qu. Co. & Sur. 1st con. gtd g. 5's	1941	2,555,000	M & N	104½	Oct. 31,'98	104½	103	92,000
Brunswick & Western 1s g. 4's	1938	3,000,000	J & J	74	Sept. 1,'98	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,407,000	M & S	106¼	Oct. 11,'98	107	106¼	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	128	Aug. 31,'98	....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	121¼	May 26,'98	....	....	....
Buffalo & Susquehanna 1st g. 5's,	1913	1,211,500	A & O	100	Feb. 27,'98	....	....	....
" registered			A & O	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	107¾	Oct. 11,'98	107¾	107¾	5,500
" con. 1st & col. tst 5's	1934	6,425,000	A & O	107¾	Oct. 20,'98	107	106	13,000
" 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	....	....	....
Canada Southern 1st int. gtd 5's,	1908	13,920,000	J & J	109½	Oct. 31,'98	110	109½	52,000
" 2d mortg. 5's,	1913	5,100,000	M & S	109¼	Oct. 31,'98	109¼	108¾	66,000
" registered			M & S	106½	May 22,'97	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1937	4,880,000	M & N	92½	June 30,'98	....	....	....
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	114½	June 3,'98	....	....	....
" registered $1,000 & $5,000			F & A	....	....	....	....	....
" con. g. 5's	1945	16,500,000	M & N	90⅝	Oct. 31,'98	90⅝	88⅝	237,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	....	....	....	....	....
" 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	36	Oct. 31,'98	36½	35½	76,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	12	Oct. 28,'98	12	10½	18,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	4½	Sept. 13,'98	....	....	....
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	92	Oct. 24,'98	92	91	3,000
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	99	July 6,'98	....	....	....
" Mid. Ga. & Atl. div. g 5s.	1947	418,000	J & J	86½	Sept. 6,'98	....	....	....
Central Railroad of New Jersey,								
" 1st consolidated 7's	1899	3,836,000	Q J	102¼	Oct. 31,'98	102¾	102¼	9,000
" convertible 7's	1902	1,167,000	M & N	112½	Sept. 24,'98	....	....	....
" deb. 6's	1908	466,000	M & N	110	July 21,'98	....	....	....
" gen. g. 5's	1987	43,924,000	J & J	114	Oct. 28,'98	114¼	113¾	143,000
" registered			Q J	111¾	Oct. 14,'98	112	111½	26,000
Lehigh & W.-B. con. assd. 7's	1900	5,500,000	Q M	99	Oct. 6,'98	99	97	10,000
" mortgage 5's	1912	2,691,000	M & N	91	July 20,'98	....	....	....
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	114	Oct. 11,'98	114	114	5,000
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J	....	....	....	....	....
N. J. Southern int. gtd 6's	1899	411,000	J & J	104	Nov. 13,'96	....	....	....
Cen. P. ex. g. 5's Speyer & Co. cfs, A.	1898	2,995,000	......	103	Oct. 20,'98	103	103	2,000
" B C D	1899	3,383,000	......	103	Feb. 18,'98	....	....	....
" E	1898	3,997,000	J & J	101¾	May 5,'98	....	....	....
" F G H I.	1901	15,508,000	......	....	....	....	....	....
" San Joaquin br. g 6's	1900	6,080,000	A & O	102½	Oct. 12,'98	102½	101	9,000
" 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	102	Mar. 19,'98	....	....	....
" 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	103½	Oct. 5,'98	103½	103½	10,000
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	104	Oct. 31,'98	104	101	149,000
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'96	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	118	Oct. 5,'98	118	118	7,000
" Mortgage gold 6's	1911	2,000,000	A & O	118⅝	Oct. 11,'98	118⅝	118¾	15,000
" 1st con. g. 5's	1939	25,858,000	M & N	117	Oct. 31,'98	117	115	85,000
" registered			M & N	116	Oct. 19,'98	116	115	4,000
" Gen. m. g. 4½'s	1992	23,722,000	M & S	86	Oct. 31,'98	86½	84¾	780,000
" registered			M & S	85	Dec. 30,'98	....	....	....
" (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	104	Oct. 31,'98	104¼	103½	33,000
" 2d con. g. 4's	1989	1,000,000	J & J	95	Oct. 4,'98	95	95	16,000
" Craig Val. 1st g. 5's	1940	650,000	J & J	95½	May 27,'98	....	....	....
" Warm S. Val. 1st g. 5's,	1941	400,000	M & S	98	Dec. 21,'98	....	....	....
" Elz. Lex. & B. S. g. g. 5's,	1902	3,007,000	M & S	101¾	Oct. 21,'98	103	101¾	34,000
Chicago & Alton s'king fund 6's.	1903	1,722,000	J & J	111	Sept. 10,'98	....	....	....
Louisiana & Mo. Riv. 1st 7's	1900	1,785,000	F & A	108	June 15,'98	....	....	....
" 2d 7's	1900	300,000	M & N	107	July 20,'98	....	....	....
Miss. Riv. Bdge 1st s. f'd g. 6's	1912	512,000	A & O	105½	Oct. 30,'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.

NAME.	*Principal Due.*	*Amount.*	*Int'st paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	OCTOBER SALES. *High.*	OCTOBER SALES. *Low.*	OCTOBER SALES. *Total.*
Chicago, Burl. & Quincy con. 7's	1903	28,924,000	J & J	116⅝	Oct. 26,'98	116⅝	115⅝	60,000
" 5's, sinking fund	1901	2,315,000	A & O	105	Sept.16,'98	....	....	....
" 5's, debentures	1913	9,000,000	M & N	110¾	Oct. 29,'98	111	110	82,000
" convertible 5's	1903	15,263,900	M & S	117⅛	Oct. 29,'98	117⅛	113¼	79,500
" (Iowa div.) sink. f'd 5's	1919	2,818,000	A & O	111	Aug.23,'98	....	....	....
" 4's	1919	9,050,000	A & O	101¾	Oct. 31,'98	101¾	101¾	10,000
" Denver div. 4's	1922	5,861,000	F & A	102	Oct. 19,'98	102	102	2,000
" 4's	1921	3,150,000	M & S	100	Oct. 12,'98	100	100	1,000
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	107½	Jan. 18,'98	....	....	....
" Nebraska extensi'n 4's	1927	26,110,000	M & N	103½	Oct. 31,'98	103½	102	199,000
" registered			M & N	97	May 9,'98	....	....	....
" Han. & St. Jos. con. 6's	1911	8,000,000	M & S	120	Sept.20,'98	....	....	....
Chic. Burl. & Northern, 1st 5's	1926	8,241,000	A & O	106⅝	Oct. 12,'98	106⅝	106⅝	10,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	117½	Oct. 31,'98	117½	117½	3,000
" small bonds			J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	132	Aug.26,'98	....	....	....
" gen. con. 1st 5's	1937	9,767,000	M & N	108	Oct. 20,'98	108½	108	9,000
" registered			M & N	106¼	June 7,'98	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	105	Sept.12,'98	....	....	....
Chicago, Indianapolis & Louisville.								
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	114	Oct. 7,'98	114	114	5,000
Chic. Ind. & Louisv. ref. g. 5's	1947	3,018,000	J & J	91	Oct. 28,'98	91½	91	5,000
" refunding g. 6's	1947	4,700,000	J & J	102	Oct. 31,'98	102½	102	9,000
Chicago, Milwaukee & St. Paul.								
Mil. & St. Paul 1st 7's $ g, R.d.	1902	2,937,000	J&J	160	Oct. 31,'98	160	152½	56,000
" 1st 7's £	1902		J&J	120	Feb. 8,'94	....	....	....
" 1st m. Iowa & D. 7's	1899	214,000	J & J	152½	Sept.28,'98	....	....	....
" 1st m. C. & M. 7's	1903	2,112,000	J & J	160	Oct. 31,'98	160¾	160	88,000
Chicago Mil. & St. Paul con. 7's	1905	9,889,000	J & J	160	Oct. 22,'98	160	152⅝	74,000
" 1st 7's, Iowa & D, ex	1908	3,138,000	J & J	160	Oct. 21,'98	160	158½	14,000
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	117	Aug.10,'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	119⅝	Oct. 31,'98	120	118½	18,000
" 1st H'st & Dk. div. 7's	1910	5,629,000	J & J	129½	Oct. 11,'98	129½	129½	5,000
" 5's	1910	990,000	J & J	109	Oct. 26,'98	109	109	1,000
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	118½	July 19,'98	....	....	....
" 1st Chic. & P. W. 5's	1921	25,340,000	J & J	118	Oct. 31,'98	118	117	60,000
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	115½	Oct. 20,'98	115½	115	8,000
" 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	115⅝	Oct. 12,'98	115⅝	115⅝	5,000
" terminal 5's	1914	4,748,000	J & J	113¾	Oct. 15,'98	114¼	111	12,000
" 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	112	Oct. 31,'98	112	112	1,000
" g. m. g. 4's, series A	1989	23,676,000	J & J	106	Oct. 31,'98	106½	105	251,000
" registered		....	Q J	105½	Feb. 19,'98	....	....	....
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	120⅛	Oct. 24,'98	121	120	7,000
" 1st convt. 6's	1913	5,092,000	J & D	123	Oct. 13,'98	123	121¼	2,000
Chic. & Northwestern cons. 7's	1915	12,771,000	Q F	143¼	Oct. 21,'98	143¼	142¾	7,000
" coupon gold 7's	1902	10,721,000	J & D	114¾	Sept.29,'98	....	....	....
" registered d. gold 7's	1902		J & D	114⅜	Sept.28,'98	....	....	....
" sinking fund 6's	1879–1929	5,591,000	A & O	117½	Oct. 24,'98	117½	116	8,000
" registered			A & O	117½	Oct. 24,'98	117½	117½	1,000
" 5's	1879–1929	7,237,000	A & O	108½	Oct. 8,'98	108½	108½	2,000
" registered			A & O	107½	July 13,'98	....	....	....
" debenture 5's	1933	9,800,000	M & N	120	Oct. 6,'98	120	120	2,000
" registered			M & N	117	Mar. 8,'98	....	....	....
" 25 year deben. 5's	1909	6,000,000	M & N	110¼	Oct. 1,'98	110¼	110¼	3,000
" registered			M & N	109½	Mar. 19,'97	....	....	....
" 30 year deben. 5's	1921	10,000,000	A & O	118	Sept.26,'98	....	....	....
" registered			A & O	107	Nov. 20,'95	....	....	....
" extension 4's	1886–1926	18,632,000	F A 15	105⅛	Oct. 20,'98	106	105⅛	20,000
" registered			F A 15	103	June 10,'96	....	....	....
" gen. g. 3½'s	1987	6,000,000	M & N	103	Oct. 25,'98	103½	103	21,000
" " registered			Q F	....	....	....	....	....
Escanaba & L. Superior 1st 6's	1901	455,000	J & J	107¾	May 26,'98	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Iowa Midland 1st mortg. 8's	1900	1,099,000	A & O	108	Oct. 21,'98	108	108	5,000
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	....	....	....
Mil., Lake Shore & We'n 1st 6's	1921	5,000,000	M & N	136½	Oct. 31,'98	137	136	11,000
" con. deb. 5's	1907	436,000	F & A	105½	Feb. 24,'97	....	....	....

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.	October Sales. High.	October Sales. Low.	October Sales. Total.
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	118¾	Oct. 31,'98	118¾	118	13,000
" 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 19,'98	....	....	....
" income....................		500,000	M & N	112	Apr. 27,'98	....	....	....
Chic., Rock Is. & Pac. 6's coup...	1917	12,100,000	J & J	133	Oct. 21,'98	133	131½	5,000
" registered............	1917		J & J	130	Aug. 12,'98	....	....	....
" gen. g. 4's............	1988	47,971,000	J & J	105⅛	Oct. 31,'98	105¼	104⅛	627,000
" registered			J & J	104	Sept. 21,'97	....	....	....
Des Moines & Ft. Dodge 1st 4's.	1905	1,200,000	J & J	94¾	Oct. 17,'98	94¾	94¾	5,000
" 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	108½	Aug. 25,'98	....	....	....
" small bond............	1923	....	A & O	100	Apr. 15,'97	....	....	....
Chic., St. P., Minn. & Oma. con. 6's.	1930	13,760,000	J & D	136¼	Oct. 29,'98	136¼	136	4,000
Chic., St. Paul & Minn. 1st 6's..	1918	2,658,000	M & N	135½	Oct. 6,'98	136	135½	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	130½	Oct. 14,'98	130½	130½	1,000
Chic., Term. Trans. R. R. g. 4's..	1947	18,000,000	J & J	90	Oct. 31,'98	90¼	89¼	692,000
Chic. & Wn. Ind. 1st s'k. f'd g. 6's.	1919	878,000	M & N	106	June 22,'98	....	....	....
" gen'l mortg. g. 6's......	1932	9,868,000	Q M	120½	Aug. 30,'97	....	....	....
Chic. & West Michigan R'y 5's...	1921	5,753,000	J & D	98½	Mar. 13,'98	....	....	....
" coupons off..................		....	......	....		....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's.	1905	996,000	A & O	119	Oct. 26,'98	....	....	....
" 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	112	Oct. 25,'98	112	111½	12,000
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	......	74½	Oct. 21,'98	74½	68½	13,000
Clev., Cin., Chic. & St. L. gen. m. 4's.	1993	7,574,000	J & D	82	June 29,'98	....	....	....
" do Cairo div. 1st g. 4's..	1939	5,000,000	J & J	91¾	Sept. 21,'98	....	....	....
St. Louis div. 1st col. trust g. 4's.	1990	9,750,000	M & N	100	Oct. 29,'98	100	99	75,000
" registered................				90	Mar. 24,'97	....	....	....
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	87	Aug. 31,'98	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's.	1991	4,000,000	J & J	95	Oct. 22,'98	95	95	6,000
Cin., Ind., St. L. & Chic. 1st g. 4's.	1936	7,685,000	Q F	102	Oct. 31,'98	102	101½	2,000
" registered................				95	Nov. 15,'94	....	....	....
" con. 6's................	1920	731,000	M & N	107½	June 30,'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	Oct. 21,'98	76½	74	27,000
" income 4's............	1990	4,000,000	A	19	Sept. 27,'98	....	....	....
Clev., C., C. & Ind. 1st 7's s'k. f'd.	1899	3,000,000	M & N	104	Aug. 23,'98	....	....	....
" consol mortg. 7's......	1914	3,991,000	J & D	135½	July 26,'98	....	....	....
" 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	....	....	....
" 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	107	Oct. 28,'98	107	106	40,000
Clev., & Mahoning Val. gold 5's..	1938	2,936,000	J & J	121	Sept. 9,'98	....	....	....
" registered..................			Q J	....		....	....	....
Col. Midld Ry. 1st g. 2-3-4's........	1947	6,250,000	J & J	57	Oct. 26,'98	59	57	23,000
" 1st g. 4's................	1947	1,011,000	J & J	66	Oct. 25,'98	66	58	5,000
Col., Hock. Val. & Tol. con. g. 5's.	1931	406,000	M & S	74	Aug. 10,'97	....	....	....
" J. P. M. & Co. eng ctf. $85 pd.		7,694,000	......	78¼	Oct. 21,'98	78½	78	56,000
" 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,'98	....	....	....
Delaware, Lack. & W. mtge 7's..	1907	3,067,000	M & S	123	Apr. 4,'98	....	....	....
Syracuse, Bing. & N. Y. 1st 7's..	1906	1,966,000	A & O	126	July 28,'98	....	....	....
Morris & Essex 1st m 7's........	1914	5,000,000	M & N	141½	Oct. 8,'98	141½	141½	1,000
" bonds, 7's..............	1900	281,000	J & J	109	Nov. 23,'97	....	....	....
" 7's..................	1871-1901	4,991,000	A & O	108½	Oct. 17,'98	108½	108½	3,000
" 1st c. gtd 7's..........	1915	12,151,000	J & D	139	June 2,'98	....	....	....
" registered..................			J & D	140	Oct. 26,'98	140	140	1,000
N. Y., Lack. & West'n. 1st 6's...	1921	12,000,000	J & J	137	Sept. 19,'98	....	....	....
" const. 5's..............	1923	5,000,000	F & A	118½	Nov. 17,'97	....	....	....
Warren 2d 7's....................	1900	750,000	A & O	108	Aug. 1,'95	....	....	....

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Delaware & Hudson Canal.							
" 1st Penn. Div. c. 7's...1917	5,000,000	M & S	146	Sept.13,'98	....	....	....
" reg....................1917		M & S	143	May 4,'96	....	....	....
Albany & Susq. 1st c. g. 7's.....1906	3,000,000	A & O	125	Aug.31,'98	....	....	....
" registered................		A & O	128⅛	Feb. 12,'94	....	....	....
" 6's....................1906	7,000,000	A & O	116	Oct. 11,'98	116	116	1,000
" registered................		A & O	116⅛	Mar. 22,'97	....	....	....
Rens. & Saratoga 1st c. 7's......1921	2,000,000	M & N	147	Sept.27,'98	....	....	....
" 1st r 7's................1921		M & N	141	May 6,'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 Grande 1st g. 7's..1900	1,934,500	M & N	110⅛	Sept.20,'98	....	....	....
" 1st con. g. 4's...........1936	28,650,000	J & J	97¼	Oct. 31,'98	97⅞	96¾	268,000
" con. g. 4½'s.............1936	4,348,000	J & J	106⅝	Oct. 28,'98	106⅝	106⅛	11,000
" impt. m. g. 5's..........1928	8,103,500	J & D	95⅛	Oct. 27,'98	96¼	95	30,000
Des Moines Union Ry 1st g. 5's..1917	628,000	M & N	102	Oct. 26,'98	102	102	6,000
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	6,734,000	A & O	106¼	Oct. 18,'98	106¼	104⅛	47,000
" registered..................		A & O	101⅛	July 23,'89	....	....	....
" 2d l m 6s..................1916	2,000,000	J & J	....	....	....	....	....
Duluth, Red Wing & S'n 1st g. 5's.1928	500,000	J & J	93¼	Feb. 11,'98	....	....	....
Duluth So. Shore & At. gold 5's..1937	4,000,000	J & J	112⅛	Oct. 27,'98	112⅛	112	18,000
Erie, 1st mortgage ex. 7's........1897	2,482,000	M & S	113	July 26,'98	....	....	....
" 2d extended 5's........1919	2,149,000	M & N	119⅛	Aug. 2,'98	....	....	....
" 3d extended 4½'s......1923	4,618,000	M & S	112⅛	Sept. 7,'98	....	....	....
" 4th extended 5's.......1920	2,926,000	A & O	117	June 28,'98	....	....	....
" 5th extended 4's.......1928	709,500	J & D	104⅛	June 3,'98	....	....	....
" 1st cons gold 7's.......1920	16,890,000	M & S	144	Oct. 31,'98	144	143	57,000
" 1st cons. fund c. 7's....1920	3,705,977	M & S	141	June 25,'98	....	....	....
Long Dock consol. 6's..........1953	7,500,000	A & O	139	Sept.20,'98	....	....	....
Buffalo, N. Y. & Erie 1st 7's.....1916	2,380,000	J & D	133	June 6,'98	....	....	....
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	104½	Sept.12,'98	....	....	....
Chicago & Erie 1st gold 5's.....1982	12,000,000	M & N	112¾	Oct. 25,'98	112¾	111⅛	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	109	Oct. 27,'98	109	109	2,000
" small....................							
Erie R.R. 1st con. g-4s prior bds..1996	30,000,000	J&J	91⅛	Oct. 31,'98	92⅛	90	252,000
" registered................		J&J	....	....	....	....	....
" gen. lien 3-4s..........1996	30,927,000	J&J	70¼	Oct. 29,'98	71⅞	68⅛	875,000
" registered................		J&J	....	....	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's..1937	3,750,000	J & J	108	Oct. 24,'98	108	108	7,000
" 2d g. 4½'s..............1937	453,000	F & A	92⅛	Aug. 25,'98	....	....	....
" gen. g. 5's..............1940	2,547,000	F & A	86	Oct. 31,'98	87	82	121,000
" term. 1st g. 5's.........1943	2,000,000	M & N	111	Oct. 6,'98	111	111	5,000
" registered......$5,000 each		M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's..1942	3,000,000	J & D	99⅛	Sept.12,'98	....	....	....
Midland R. of N. J. 1st g. 6's...1910	3,500,000	A & O	120¾	Aug. 6,'98	....	....	....
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	121	Oct. 6,'98	121	121	10,000
" 1st General g 5's.........1942	2,223,000	A & O	95	Oct. 29,'98	96⅛	94⅛	107,000
" 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	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's....1926	1,591,000	J & J	98⅝	Oct. 11,'98	98⅛	97	30,000
Flint & Pere Marquette m 6's....1920	3,999,000	A & O	115	Oct. 27,'98	115	115	1,000
" 1st con. gold 5's.........1939	2,100,000	M & N	95	Aug. 30,'98	....	....	....
" Port Huron d 1st g 5's..1939	3,083,000	A & O	93⅛	Oct. 25,'98	93⅛	92⅛	6,000
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	......	76⅛	Oct. 31,'98	76⅛	74½	183,000
Ft. Worth & Rio Grande 1st g 5's.1928	2,863,000	J & J	59⅛	Oct. 31,'98	61	59½	11,000
Galveston H. & H. of 1882 1st 5s..1913	2,000,000	A & O	96	Oct. 24,'98	96	94	14,000
Geo. & Ala. Ry. 1st pref. g. 5's...1945	2,230,000	A & O	88	July 18,'98	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's..1927	5,360,000	J & J	92	July 8,'98	....	....	....

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Houston E. & W. Tex. 1st g 5's	1933	2,700,000	M & N	96	Sept. 20,'98	....	....	....
Illinois Central, total outstanding......$13,950,000								
" 1st g. 4's	1894-1951	1,500,000	J&J	112	Oct. 26,'96	112	112	5,000
" registered			J&J	109½	July 28,'98	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	102	Oct. 28,'98	102	102	1,000
" 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	....		....	....	....
" col. trust 2-10 g. 4's	1904	4,806,000	A & O	102¾	July 29,'98	....	....	....
" col. tr. 2-10 g. 4's rgst'd			A & O	103	Apr. 15,'98	....	....	....
" collat. trust gold 4's	1952	15,000,000	M & N	104	Sept. 6,'98	....	....	....
" regist'd			M & N	101	Mar. 19,'98	....	....	....
" col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	J & J	102¾	Oct. 20,'98	102¾	102	4,000
" registered			J & J	....		....	....	....
" col. trust 2-10 g. 4's	1904	4,806,000	J & J	100¼	Sept. 28,'98	....	....	....
" registered			J & J	....		....	....	....
" West'n Line 1st g. 4's	1951	5,425,000	F & A	108¼	Aug. 8,'98	....	....	....
" registered			F & A	....		....	....	....
" Louisville div. g. 3½'s	1953	14,320,000	J & J	96¾	Oct. 26,'98	96¾	93	136,000
" registered			J & J	....		....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	79	Oct. 22,'98	79½	75¼	42,000
" registered			J & J	....		....	....	....
" g. 3½'s	1951	6,821,0 0	J & J	93	Oct. 20,'98	96¾	93	43,000
" registered			J & J	....		....	....	....
" 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	....	....	....
" Sp'gfield div 1st g 3½'s	1951	2,000,000	J & J	....		....	....	....
" registered			J & J	....		....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	123¾	Sept. 10,'98	....	....	....
" gold 5's, registered			J D 15	123	Sept. 12,'97	....	....	....
" g. 3½'s	1951	1,352,000	J D 15	....		....	....	....
" registered			J D 15	....		....	....	....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	108⅛	Jan. 24,'98	....	....	....
" 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	102½	Oct. 20,'98	102½	101½	4,000
Indiana, Ill. & Iowa 1st refdg. 5's	1948	2,500,000	A & O	103	Oct. 27,'98	103	103	5,000
Internat. & Gt. N'n 1st. 6's, gold	1919	7,954,000	M & N	123⅛	Oct. 25,'98	123⅝	122¼	61,000
" 2d g. 5's	1909	6,593,000	M & S	87½	Oct. 31,'98	87½	86	35,000
" 3d g. 4's	1921	2,718,000	M & S	55½	Oct. 31,'98	55½	55	4,000
Iowa Central 1st gold 5's	1938	6,572,000	J & D	105¼	Oct. 31,'98	105½	104½	68,000
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	22,578,000	A & O	69½	Oct. 31,'98	75⅝	67½	643,000
Kings Co. El. series A. 1st g. 5's	1925	3,177,000	J & J	52½	Oct. 31,'98	54½	50	28,000
Fulton El. 1st m. g. 5's series A	1929	1,979,000	M & S	40	Oct. 11,'98	46	40	6,000
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	116	Oct. 21,'98	117	116	81,000
" 2d mtge. g. 5's	1941	3,625,000	J & J	100	Oct. 27,'98	101¼	99½	48,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	100	Oct. 21,'98	100	100	10,000
Lehigh Val. (Pa.) coll. g. 5's	1997	5,000,000	M & N	104	Aug. 8,'98	....	....	....
" registered			M & N	....		....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	104	Oct. 27,'98	104	100½	18,000
" registered		....	J&J	....		....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	112	Sept. 14,'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	....		....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	91	Oct. 21,'98	91	91	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,'98	....	....	....
Lit. Rock & M., tr. co. ctfs. for 1st g. 5's	1937	3,145,000	Q J	29	Sept. 9,'98	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	118	July 12,'98	....	....	....
" 1st con. g. 4's	1931	1,121,000	Q J	....		....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	91⅝	Oct. 27,'98	91⅝	90	40,000
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	90¼	Oct. 3,'98	90¼	90¼	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	....	....	....

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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	100	Oct. 31,'97	102½	100	6,000
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	39½	Sept. 19,'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	Oct. 14,'98	124½	124⅛	7,000
″ 2d 6's	1930	1,000,000	J & J	108	Oct. 15,'98	108	108	1,000
″ E., Hend. & N. 1st 6's	1919	1,990,000	J & D	115	Aug. 19,'98			
″ general mort. 6's	1930	10,058,000	J & D	119⅝	Oct. 31,'98	119⅝	118⅛	101,000
″ 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	105	July 20,'98			
″ So. & N. Ala. si'g fd. 6s	1910	1,942,000	A & O	92½	Sept. 30,'96			
″ con. gtd. g. 5's	1936	3,673,000	F & A	100½	Oct. 31,'98	100½	100	67,000
″ gold 5's	1937	1,764,000	M & N	105	Oct. 31,'98	105	103⅛	82,000
″ Unified gold 4's	1940	14,994,000	J & J	90⅝	Oct. 29,'98	90¾	89¾	256,000
″ registered	1940		J & J	83	Feb. 27,'98			
″ Pen. & At. 1st 6's, g. g.	1921	2,753,000	F & A	109½	Oct. 29,'98	109½	106	17,000
″ collateral trust g. 5's	1931	5,129,000	M & N	104	Sept. 22,'98			
″ L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	109⅛	July 18,'98			
″ N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	97⅛	Oct. 27,'98	97⅛	97	24,000
Kentucky Cent. g. 4's	1987	6,742,000	J & J	91	Oct. 28,'98	91	90	15,000
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	92⅛	Oct. 28,'98	93	92¼	25,000
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	117⅛	Oct. 31,'98	117⅛	117¼	10,000
″ 2d 6's	1899	4,000,000	M & N	104⅝	Oct. 31,'98	104⅝	104¼	6,000
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	115	Oct. 31,'98	115⅛	113¾	553,000
B'way & 7th ave. 1st con. g. 5's	1997	7,650,000	J & D	121⅛	Oct. 13,'98	121⅛	121	7,000
″ registered			J & D	112½	May 29,'98			
Columb. & 9th ave. 1st gtd g 5's	1993	3,000,000	M & S	121¾	Oct. 28,'95	121¾	120¾	27,000
″ registered			M & S					
Lex ave & Pav Fer 1st gtd g 5's	1993	5,000,000	M & S	123	Oct. 31,'98	123	120	45,000
″ registered			M & S					
Mexican Central.								
″ con. mtge. 4's	1911	59,011,000	J & J	62⅛	Oct. 13,'98	62⅛	62⅛	2,000
″ 1st con. inc. 3's	1939	17,072,000	JULY	19	Jan. 20,'96			
″ 2d 3's	1939	11,810,000	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	79	Oct. 28,'98	79	77¼	184,000
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	42⅝	Nov. 12,'96			
″ 2d inc. 6's "B"	1917	12,265,000	A	13	July 9,'97			
Mexican Northern 1st g. 6's	1910	1,313,000	J & D	97	Feb. 11,'97			
″ registered			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	143	Oct. 13,'98	143	142⅛	6,000
″ 1st con. g. 5's	1934	5,000,000	M & N	109¼	Oct. 31,'98	109¼	108	84,000
″ Iowa ext. 1st g. 7's	1909	1,015,000	J & D	125	Oct. 4,'97	125	126	1,000
″ 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	123	Sept. 27,'97			
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87			
″ stamped 4's pay. of int. gtd.								

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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	91	Oct. 31,'98	91	88	1,083,500
" 2d mtge. g. 4's	1990	20,600,000	F & A	64¼	Oct. 31,'98	64½	61	946,000
" 1st ext gold 5's	1944	998,000	M & N	88	Aug. 9,'98			
" of Texas 1st gtd g. 5's	1942	2,685,000	M & S	83	Oct. 31,'98	83	83	24,000
" Kan. C. & P. 1st g. 4's	1990	2,500,000	F & A	70⅛	Oct. 28,'98	71	70⅛	11,000
" Dal. & Waco 1st g.g. 5's	1940	1,340,000	M & N	82	Oct. 31,'98	83	82	3,000
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	99¾	Oct. 31,'98	100	98	41,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	106	Oct. 31,'98	106	104⅛	389,000
" 3d mortgage 7's	1906	3,828,000	M & N	112⅛	Oct. 17,'98	112⅛	112	11,000
" trusts gold 5's	1917	14,376,000	M & S	81¼	Oct. 29,'98	81¼	80	32,000
" registered			M & S					
" 1st collateral gold 5's	1920	7,000,000	F & A	73⅛	Oct. 31,'98	76	71	81,000
" registered			F & A					
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	105	Oct. 28,'98	105	105	6,000
" 2d extended g. 5's	1938	2,573,000	F & A	109	Oct. 11,'98	109	108⅛	10,000
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	107⅛	Oct. 25,'98	107⅛	107	11,000
" 2d. ext. g. 5's	1946	6,000,000	M & N	107⅛	July 28,'98			
" Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	107	Oct. 26,'98	107	106½	8,000
" g. con. R.R. & l. gr. 5's	1931	18,274,000	A & O	98¼	Oct. 31,'98	99⅛	96	1,378,000
" stamped gtd gold 5's	1931	6,945,000	A & O	96⅛	Oct. 27,'98	96⅛	96	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	124	Oct. 21,'98	124	122½	11,000
" 1st entension 6's	1927	974,000	J & D	119	Dec. 6,'97			
" gen. g. 4's	1938	9,547,000	Q J	78¼	Oct. 31,'98	78½	77	47,500
" Montg'rydiv.1st g.5's	1947	4,000,000	F & A	102	Oct. 26,'98	102	100½	43,000
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	131⅞	Oct. 27,'98	131⅞	131	10,000
" 2d 6's	1901	1,000,000	J & J	105¾	Nov. 9,'97			
" 1st cons. g. 5's	1928	6,213,000	A & O	104	Oct. 31,'98	104	101¼	63,000
" 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			
N. Y. Cent. & Hud. R. 1st c. 7's	1903	23,186,000	J & J	117⅝	Oct. 25,'98	117¾	117⅝	28,000
" 1st registered	1903		J & J	118	Oct. 27,'98	118	118	15,000
" debenture 5's	1904	6,373,000	M & S	110¾	Oct. 20,'98	110¾	109¾	4,000
" debenture 5's reg			M & S	110⅝	July 15,'98			
" reg. deben. 5's	1889-1904	850,000	M & S	108½	Feb. 21,'98			
" debenture g. 4's	1905	8,885,000	J & D	106½	Oct. 29,'98	106¾	106¼	13,000
" registered	1905		J & D	104¾	Feb. 5,'98			
" deb. cert. ext. g. 4's	1905	4,585,500	M & N	106½	Oct. 14,'98	106⅛	106⅛	6,000
" registered			M & N	104⅝	June 30,'98			
" g. mortgage 3½s	1997	23,801,000	J & J	107½	Oct. 24,'98	107⅛	107¼	27,000
" " registered			J & J	104⅞	July 6,'98			
Michigan Central col. g. 3½s	1998	17,963,000	F & A	94	Oct. 31,'98	94	93	297,000
" registered			F & A	91	Oct. 17,'98	91	91	2,000
Lake Shore col. g. 3½s	1998	90,170,000	F & A	95½	Oct. 31,'98	96	94¼	1,098,000
" registered			F & A	95	Oct. 28,'98	95	93¾	14,000
Harlem 1st mortgage 7's c	1900	12,000,000	M & N	108¾	Oct. 28,'98	108¾	108¾	2,000
" 7's registered	1900		M & N	104⅞	Oct. 24,'98	108	104⅞	12,000
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	111	Oct. 31,'98	111	109¼	172,500
" registered			J & J	110	Oct. 28,'98	110	108¾	174,000

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.		OCTOBER SALES.		
				Price.	*Date.*	*High.*	*Low.*	*Total.*
Beech Creek 1st. g. gtd. 4's	1936	5,000,000	J & J	108⅛	Nov. 16,'97	....	....	....
" registered			J & J	106	June 17,'98	....	....	....
" 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	95	July 28,'98	....	....	....
" 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	128	Oct. 26,'98	128	124⅛	56,000
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	107	Aug. 13,'98	....	....	....
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	123	Oct. 26,'98	123	123	11,000
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	1,041,000	A & O	102¼	Oct. 19,'98	102¼	102	23,000
" con. co. 1st 7's	1900	9,529,000	J&J	108	Oct. 27,'98	108	107⅛	10,000
" con. 1st registered	1900		Q J	106⅝	Oct. 28,'98	106⅝	105¾	44,000
" con. co. 2d 7's	1903	8,986,000	J&D	117	Aug. 31,'98	....	....	....
" con. 2d registered	1903		J&D	115¾	June 16,'98	....	....	....
" g 3½s	1997	27,412,000	J & D	107	Oct. 31,'98	107⅛	106	54,000
" " registered			J & D	105¾	Aug. 16,'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	121	Oct. 24,'98	121	121	1,000
Michigan Cent. 1st con. 7's	1902	8,000,000	M & N	115½	Oct. 17,'98	115⅛	115⅛	3,000
" 1st con. 5's	1902	2,000,000	M & N	105	Oct. 11,'98	105	105	1,000
" 6's	1909	1,500,000	M & S	122	Feb. 25,'98	....	....	....
" coup. 5's	1931	3,576,000	M & S	121¼	June 21,'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	....		....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	105⅛	Oct. 31,'98	105⅛	104⅛	312,000
" registered			A & O	104	Apr. 21,'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	161	Sept. 30,'98	....	....	....
" small certifs	$100	1,430,000	......	160	Oct. 26,'98	160	160	500
Housatonic R. con. g. 5's	1937	2,838,000	M & N	126⅛	Aug. 26,'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	121¼	Oct. 24,'98	121¼	121	13,000
" 1st 6's	1905	4,000,000	J & J	115	Oct. 21,'98	115	115	1,000
N.Y., Ontario & W'n con. 1st g. 5's	1939	5,600,000	J & D	107⅞	Oct. 26,'98	107⅞	107¼	94,000
" Refunding 1st g. 4's	1992	8,375,000	M & S	102⅞	Oct. 31,'98	103	102	141,000
" 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	7,261,000	J & J	117	Oct. 31,'98	117¼	116⅝	89,000
" registered			J & J	117	Oct. 15,'98	117	116½	15,000
St. Paul & N. Pacific gen 6's	1923	7,985,000	F & A	131⅛	Oct. 13,'98	131⅛	131⅛	6,000
" registered certificates			Q F	130	Sept. 28,'98	....	....	....
N. P. Ry prior ln ry.&ld.gt.g.4's	1997	86,124,000	Q J	100⅝	Oct. 31,'98	101	100⅝	1,713,000
" registered			Q J	100½	Sept. 30,'98	....	....	....
" gen. lien g. 3's	2047	56,000,000	Q F	66⅞	Oct. 31,'98	67⅝	66¼	1,080,000
" registered			Q F	....		....	....	....
Washington Cen. Ry 1st g. 4's	1948	1,538,000	QMCH	88	Oct. 27,'98	90	88	8,000
Nor. Pacific Term. Co. 1st g. 6's	1933	3,891,000	J & J	115⅛	Oct. 31,'98	115⅛	115	32,000
Norfolk & Southern 1st g. 5's	1941	750,000	M & N	102	June 27,'98	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	123	Sept. 12,'98	....	....	....
" New River 1st 6's	1932	2,000,000	A & O	124⅛	Oct. 3,'98	124⅛	124⅛	17,000
" imp'ment and ext. 6's	1934	5,000,000	F & A	117⅛	Aug. 30,'98	....	....	....
" Sci'o Val & N.E. 1st g. 4's	1989	5,000,000	J & N	93	Oct. 31,'98	94	92	55,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	101	Feb. 23,'97	....	....	....

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Norfolk & West. Ry 1st con. g. 4s. 1996	23,319,100	A & O	84	Oct. 31,'98	84	82½	319,500
" 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			
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	84	Sept. 8,'98			
" gen. mortg. g 4's....... 1921	1,881,000	M & N	9	Sept. 7,'98			
" gen. eng. Trust Co. certs...	1,417,000	......	8½	Sept. 8,'98			
Omaha & St. Lo. 1st g 4's.......... 1901	2,376,000	J & J	80	Sept. 20,'98			
Oregon Ry. & Nav. 1st s. f. g. 6's.. 1909	1,202,000	J & J	114	Oct. 25,'98	114	114	16,000
Oregon R. R. & Nav. Co. con. g 4's. 1946	19,034,000	J & D	100⅛	Oct. 31,'98	100	99¼	408,000
Oregon Short Line 1st g. 6's...... 1922	13,651,000	F & A	128½	Oct. 31,'98	129	126½	123,000
{ Utah & Northern 1st 7's....... 1908	4,993,000	J & J	121	June 18,'98			
" 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	107½	Oct. 31,'98	108¼	105½	90,000
" non-cum. inc. A 5's..... 1946	7,185,000	SEPT.	76½	Oct. 31,'98	77	74½	504,500
" non-cum. inc. B. & col. trust	14,341,000	OCT.	58½	Oct. 31,'98	58½	54¼	726,000
Pacific Coast Co. 1st g. 5's........ 1946	4,446,000	J & D	105½	Oct. 28,'98	105⅝	104¼	115,000
Panama 1st sink fund g. 4½'s.... 1917	1,859,000	A & O					
" 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	114¼	Oct. 19,'98	114¼	114	14,000
" reg.......... 1921		J & J	110	July 8,'98			
" 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	113	Sept. 7,'98			
" Series B.......... 1942	10,000,000	A & O	111½	Oct. 19,'98	111½	111¼	12,000
" Series C.......... 1942	2,000,000	M & N	105	Jan. 16,'97			
" Series D gtd. 4's...... 1945	4,863,000	M & N	104½	Sept. 22,'98			
Pitts., C. & St. Louis 1st c. 7's.. 1900	6,863,000	F & A	108	June 6,'98			
" 1st reg. 7's.......... 1900		F & A	109¾	Apr. 23,'97			
Pitts., Ft. Wayne & C. 1st 7's.. 1912	2,917,000	J & J	140	May 3,'98			
" 2d 7's.......... 1912	2,546,000	J & J	140	Aug. 18,'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,'98			
" registered..........		A & O	110	May 3,'92			
Cleve. & Pitts. con. s. fund 7's.. 1900	1,310,000	M & N	107	May 25,'98			
" gen. gtd. g. 4½'s Ser. A.. 1942	3,000,000	J & J	113	Apr. 18,'95			
" Series B.......... 1942	1,699,000	A & O					
E. & Pitts. gen. gtd. g. 3½s Ser. B.. 1940	2,250,000	J & J					
" " " C.. 1940	1,118,000	J & J					
G. R. & Ind. Ex. 1st gtd. g 4½ g 1941	4,447,000	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					
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					
Sunbury & Lewiston 1st g. 4's.. 1936	500,000	J & J					
Peo., Dec. & Ev. Tr. Co. ctf. 1st g. 6's. 1920	1,140,000	J & J	99	Oct. 20,'98	100¾	99	34,000
" Ev. div. Tr. Co. cf 1st g. 6's. 1920	1,433,000	M & S	95¾	Oct. 7,'98	95¾	95½	20,000
" Tr. Co. ctfs. 2d mort 5 s. 1926	1,851,000	M & N	18½	June 2,'98			
" " 1st instal. paid.....	....	......					
Peoria & Pekin Union 1st 6's.... 1921	1,500,000	Q F	120	May 11,'98			
" 2d m 4½'s.......... 1921	1,499,000	M & N	90	Sept. 22,'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	107⅛	Oct. 26,'98	107⅛	107⅛	1,000
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,'98	....	....	....
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	90	Oct. 10,'98	90	90	10,000
Pitts., Shena'go & L. E. 1st g. 5's	1940	3,000,000	A & O	111	Oct. 28,'98	111	109	20,000
" 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	94⅛	Oct. 31,'98	95¼	91⅛	608,000
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	81⅝	Oct. 31,'98	82⅞	80¼	1,528,000
" registered			J & J	....	....	....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	88¼	Oct. 29,'98	88⅝	87	349,000
Rio Grande Junc'n 1st gtd. g. 5's	1939	1,850,000	J & D	91	June 16,'98	....	....	....
Rio Grande Southern 1st g. 3-4	1940	4,510,000	J & J	71⅛	Sept. 28,'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	81	Oct. 28,'98	81	79¼	36,000
St. Louis & San F. 2d 6's, Class A	1906	500,000	M & N	114	July 20,'98	....	....	....
" 2d g. 6's, Class B	1906	2,725,000	M & N	116⅛	Oct. 26,'98	116⅛	116	10,000
" 2d g. 6's, Class C	1906	2,400,000	M & N	116	Oct. 27,'98	116¼	116	6,000
" 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	120⅛	Oct. 31,'98	120⅛	119¼	141,000
" gen. g. 5's	1931	12,293,000	J & J	105⅞	Oct. 31,'98	106	105	269,000
" 1st Trust g. 5's	1987	1,099,000	A & O	100	Oct. 10,'98	100	100	10,000
Ft. Smith & Van B. Bdg. 1st 6's	1910	319,000	A & O	105	Oct. 4,'98	....	....	....
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	79	Oct. 27,'98	79½	78	41,000
" South'n div. 1st g. 5's	1947	1,500,000	A & O	96¼	Oct. 18,'98	96¼	96¼	4,000
St. Louis S. W. 1st g. 4's Bd. ctfs.	1989	20,000,000	M & N	81⅛	Oct. 31,'98	81⅛	78⅝	357,000
" 2d g. 4's inc. Bd. ctfs.	1989	8,000,000	J & J	33½	Oct. 31,'98	34½	31	327,000
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	105	Oct. 20,'98	105	105	1,000
St. Paul, Minn. & Manito'a 2d 6's	1909	8,000,000	A & O	121¼	Oct. 11,'98	121¼	121¼	5,000
" Dakota ext'n 6's	1910	5,676,000	M & N	124⅛	Oct. 21,'98	124½	124⅛	2,000
" 1st con. 6's	1933	13,344,000	J & J	133	Oct. 14,'98	133	133	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	111	Oct. 31,'98	111	109	31,000
" 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	102¼	Oct. 21,'98	102¼	101	73,000
" 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	130	Oct. 27,'98	130	129	5,000
" 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's	1937	2,700,000	J & J	112½	Sept. 22,'98	....	....	....
" registered			J & J	....	....	....	....	....
Eastern Minn, 1st d. 1st g. 5's	1908	4,700,000	A & O	110½	Sept. 7,'98	....	....	....
" registered			A & O	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's	1938	3,625,000	J & D	113	Aug. 26,'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	98⅛	Oct. 29,'98	98¼	97	80,000

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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	103½	Sept. 29,'98			
" Mex. & P. div 1st g 5's	1931	13,418,000	M & N	99	Oct. 31,'98	99¾	98¾	112,000
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	111⅝	Oct. 27,'98	111⅝	111⅝	2,000
" con. g 6 s int. gtd	1912	3,455,000	A & O	112	Sept. 30,'98			
" gen. g 4's int. gtd	1921	4,297,000	A & O	85¼	Oct. 20,'98	85¼	82¾	191,000
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	70	Oct. 31,'98	70⅛	67½	947,000
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	103	Oct. 31,'98	103	102	124,000
South'n Pac. of Ariz. 1st 6's	**1909-1910**	**10,000,000**	**J & J**	**109**	**Oct. 31,'98**	**109¾**	**108½**	**124,000**
South. Pac. of Cal. 1st g 6's	**1905-12**	**30,577,500**	**A & O**	**109½**	**Oct. 27,'98**	**109½**	**109**	**3,500**
" 1st con. gtd. g 5's	**1937**	**19,671,000**	**M & N**	**102¾**	**Sept. 20,'98**			
Austin & Northw'n 1st g 5's	**1941**	**1,920,000**	**J & J**	**87¾**	**Sept. 20,'98**			
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**	**109¾**	**Oct. 28,'98**	**109¾**	**109⅝**	**111,000**
Southern Railway 1st con. g 5's	**1994**	**27,859,000**	**J & J**	**99⅛**	**Oct. 31,'98**	**99½**	**97**	**499,000**
" registered			**J & J**	**98**	**Oct. 31,'98**	**98**	**98**	**1,000**
" Memph. div. 1st g. 4-4½-5's	**1996**	**5,183,000**	**J & J**	**105**	**Sept. 22,'98**			
" registered			**J & J**					
East Tenn. reorg. lien g 4's	1938	4,500,000	M & S	105½	Oct. 12,'98	105½	105½	6,000
" 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	118	Sept. 30,'98			
East Tenn., Va. & Ga. 1st 7's	1900	3,123,000	J & J	107⅛	Oct. 28,'98	107¼	106¾	11,000
" divisional g 5's	1930	3,106,000	J & J	115	Sept. 22,'98			
" con. 1st g 5's	1956	12,770,000	M & N	114½	Oct. 29,'98	114½	114	31,000
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	120⅞	Oct. 12,'98	120⅞	120⅞	3,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	117	Oct. 14,'98	117	116	19,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	122½	Aug. 11,'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	104	Sept. 14,'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**	**106½**	**Oct. 27,'98**	**109**	**106½**	**10,000**
" gen. 5's. gtd. stamped	**1926**	**2,466,000**	**M & N**	**107¾**	**Sept. 29,'98**			
W. O. & W. 1st cy. gtd. 4's	**1924**	**1,025,000**	**F & A**	**90**	**Aug. 25,'98**			
W. Nor. C. 1st con. g 6's	**1914**	**2,531,000**	**J & J**	**118½**	**Aug. 25,'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**					
Ter. R. R. Assn. St. Louis 1g 4½'s	**1939**	**7,000,000**	**A & O**	**109**	**Oct. 12,'98**	**109**	**109**	**24,000**
" 1st con. g. 5's	**1894-1944**	**4,500,000**	**F & A**	**110**	**July 22,'98**			
St. L. Mers. bdg. Ter. gtd g. 5's	**1930**	**3,500,000**	**A & O**	**103**	**Oct. 27,'98**			
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**	**3,346,000**	**M & S**	**105½**	**Sept. 13,'98**			
" 1st gold 5's	**2000**	**21,216,000**	**J & D**	**107⅝**	**Oct. 31,'98**	**107½**	**106½**	**236,000**
" 2d gold income, 5's	**2000**	**23,227,000**	**MAR.**	**45⅝**	**Oct. 31,'98**	**46⅝**	**43⅞**	**1,721,000**
Third Avenue 1st g 5's	**1937**	**5,000,000**	**J & J**	**125**	**Oct. 19,'98**	**125**	**124½**	**15,000**

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.*	OCTOBER SALES. *High.*	OCTOBER SALES. *Low.*	OCTOBER SALES. *Total.*
Toledo & Ohio Cent. 1st g 5's....	1935	3,000,000	J & J	104⅛	Oct. 21,'98	105	104¼	7,000
{ " 1st M. g 5's West. div...	1935	2,500,000	A & O	104	Oct. 25,'98	104	104	10,000
{ " gen. g. 5's....	1935	1,500,000	J & D	....	....	....	....	....
{ " Kanaw & M. 1st g. g. 4's.	1990	2,340,000	A & O	79	Sept. 23,'98	....	....	....
Toledo, Peoria & W. 1st g 4's....	1917	4,[illegible]00,000	J & D	77¼	Oct. 24,'98	77¼	77	13,000
Tol., St.L.&K.C. Tr. Rec. 1st g 6's.	1916	8,234,000	M & N	90½	Oct. 31,'98	92	90	93,000
Ulster & Delaware 1st c. g 5's....	1928	1,852,000	J & D	101	Oct. 7,'98	101	101	5,000
Union Elevated (Chic.) 1st g.5's.	1945	4,237,000	A & O	....	....	....	....	....
{ Union Pacific R. R. & ld gt g 4s.	1947	90,000,000	J & J	100	Oct. 31,'98	100	98¼	3,681,000
{ " registered................			J & J	99½	Oct. 26,'98	99½	99½	4,000
{ Union Pac. Tr. Co. cts. g. 4½s..	1918	2,000,000	M & N	61	Oct. 31,'98	61	57½	127,000
{ U.P. Den.&GT.Co.cf.1st c.g.5's.	1939	15,288,000	J & D	80⅝	Oct. 31,'98	80⅝	76¾	5,417,000
Wabash R.R. Co., 1st gold 5's....	1939	31,664,000	M & N	114⅛	Oct. 29,'98	114⅛	111⅛	181,000
{ " 2d mortgage gold 5's..	1939	14,000,000	F & A	89	Oct. 31,'98	89¾	87½	189,000
{ " deben. mtg series A..	1939	3,500,000	J & J	....	....	....	....	....
{ " series B................	1939	25,740,000	J & J	32	Oct. 31,'98	33	30¼	581,000
{ " 1st g.5's Det.& Chi.ex.	1940	3,500,000	J & J	105⅛	Oct. 7,'98	105⅛	105⅛	1,000
{ St. L., Kan. C. & N. St. Chas. B. " 1st 6's................	1908	1,000,000	A & O	110	June 7,'98	....	....	....
Western N.Y. & Penn. 1st g. 5's..	1937	10,000,000	J & J	109¼	Oct. 15,'98	109¼	108	6,000
" gen g. 2-3-4's............	1943	10,000,000	A & O	54½	Oct. 26,'98	55	53½	12,000
" inc. 5's...................	1943	10,000,000	Nov.	13½	Oct. 26,'98	13½	13½	2,000
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	3,250,000	J & J	108	Feb. 18,'96	....	....	....
Wheeling & Lake Erie 1st g. 5's.	1926	1,018,000	A & O	103	Sept. 28,'98	....	....	....
" Trust Co. certificates......		1,982,000	......	100	Oct. 25,'98	100	100	5,000
" Wheeling div. 1st g. 5's.	1928	1,500,000	J & J	100	Sept. 2,'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	49¼	Sept. 26,'98	....	....	....
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	......	61	Oct. 31,'98	61½	54¼	3,608,000
" income mortgage 5's...	1937	7,775,000	A & O	7	Oct. 22,'98	7⅛	6¾	22,000

UNITED STATES GOVERNMENT SECURITIES.

NAME	*Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1898. *High.*	YEAR 1898. *Low.*	OCTOBER SALES. *High.*	OCTOBER SALES. *Low.*	OCTOBER SALES. *Total.*
United States 2's registered........	Opt'l	25,364,[illegible]00	Q M	98½	98	....	....	......
" 3's registered..............	1898	185,000,000	Q F	105⅝	104½	105⅜	104½	33,500
" 3's coupon..................	1898		Q F	106⅛	105⅛	106⅛	105⅛	3,245,500
" 3's small bonds reg........	1898		Q F	105¼	104⅝	105¼	104⅝	264
" 3's small bonds coupon...	1898		Q F	106	104⅝	106	104⅝	6,389
" 4's registered..............	1907	559,646,900	J A J&O	113⅝	106	111	110½	55,500
" 4's coupon..................	1907		J A J&O	114¾	107	112	111	35,000
" 4's registered..............	1925	162,315,400	Q F	129½	116¾	127¼	126¾	72,000
" 4's coupon..................	1925		Q F	129¾	117⅝	128¼	127	76,000
" 5's registered..............	1904	100,000,000	Q F	115	109¾	112⅜	112⅜	1,000
" 5's coupon..................	1904		Q F	115	109¾	113¼	112⅜	30,000
" 6's currency................	1899	14,004,560	J & J	104	102¼	102½	102⅞	5,000
" 4's reg. cer. ind. (Cherokee)	1899	1,660,000	MAR	....	....	....	....	......
District of Columbia 3-65's..........	1924	14,083,600	F & A	117	115	....	....	......
" 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.	OCTOBER SALES. High.	OCTOBER SALES. Low.	OCTOBER SALES. Total.
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	101⅞	Oct. 27,'98	101⅞	100¼	168,000
American Cotton Oil deb. g. 8's..1900	3,068,000	Q F	109½	Oct. 31,'98	109½	108	51,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	2,000,000	M & S	81½	Oct. 31,'98	85	81	34,000
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	....	....	....	....	....
B'klyn Wharf & Wh. Co. 1st g. 5's.1945	17,500,000	F & A	88	Oct. 29,'98	89	84	100,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	109¼	Feb. 9,'97	....	....	....
" non-cum. inc. 5's.........1907	2,575,000	J & J	....	....	....	....	....
Colo. Coal & Iron 1st con. g. 6's..1900	2,954,000	F & A	100	Oct. 31,'98	100	100	9,000
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	1,048,000	M & N	104	Jan. 13,'98	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..1943	2,021,000	F & A	82	Sept. 19,'98	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	13,000,000	Q & J	101½	Apr. 28,'98	....	....	....
" registered....................		Q & J	104	Feb. 16,'98	....	....	....
Det. Mack.&Mar. ld. gt. 3½ S A..1911	3,021,000	A & O	17	Oct. 27,'98	17	17	21,000
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	1,960,000	J & J	96¼	Mar. 9,'98	....	....	....
Grand Riv. Coal & Coke 1st g. 6's.1919	780,000	A & O	90	Nov. 26,'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	1,705,000	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	98	May 8,'98	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	70	Apl. 28,'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	105⅛	Oct. 10,'98	105⅛	105⅛	6,000
" 2d g. 5's....................1926	1,000,000	J & D	80	May 4,'97	....	....	....
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	108¼	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	3,887,000	J & J	107	Oct. 27,'98	109	107	26,000
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	....	....	....
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	....	....	....
Procter & Gamble, 1st g 6's......1940	2,000,000	J & J	113	Apr. 4,'98	....	....	....
Roch & Pitts. Cl & Ir. Co. pur my 5's.1946	1,100,000	M & N	....	....	....	....	....
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	2,912,000	F & A	77	Oct. 28,'98	77¾	75	57,000
" " inc. g. 5's.1946	7,500,000	......	19⅝	Oct. 31,'98	21	18	244,000
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	98	Oct. 18,'98	93	90	9,000
" Bir. div. 1st con. 6's...1917	3,399,000	J & J	94¼	Oct. 29,'98	94½	92	25,000
Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & J	84	May 2,'95	....	....	....
De Bard. C & I Co. gtd. g 6's...1910	2,428,000	F & A	88	Jan. 26,'98	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	6,000,000	M & N	116½	Oct. 11,'98	116½	116½	15,000
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series B 5's................1899-1914	1,000,000	M & N	....	....	....	....	....
" C 5's................1900-1915	1,000,000	A & O	....	....	....	....	....
" D 4½'s..............1901-1916	1,000,000	J & J	....	....	....	....	....
" E 4's................1902-1917	1,000,000	J & D	....	....	....	....	....
" F 4's................1903-1918	1,000,000	M & S	....	....	....	....	....
" G 4's................1903-1918	1,000,000	......	....	....	....	....	....
Small bonds.........................	....	......	....	....	....	....	....

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.		OCTOBER SALES.		
				Price.	*Date.*	*High.*	*Low.*	*Total.*
Vermont Marble, 1st s. fund 5's	1910	640,000	J & D	....	....	....	....	....
Western Union deb. 7's	1875-1900	3,680,000	M & N	107	Sept. 23,'98	....	....	....
" 7's, registered	1900		M & N	105	Mar. 11,'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	111⅛	Oct. 20,'98	111⅛	111⅛	26,000
Mutual Union Tel. s. fd. 6's	1911	1,957,000	J & J	112⅛	Sept. 8,'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	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's	1947	1,150,000	J & D	....	....	....	....	....
Bost. Un.Gas tst ctfs s'k f'd g. 5's	1939	7,000,000	J & J	91⅝	Oct. 12,'98	91⅝	91⅝	12,000
B'klyn Union GasCo.1stcon.g.5's	1945	13,081,000	M & N	116⅛	Oct. 29,'98	116⅛	115¼	105,000
Columbus Gas Co., 1st g. 5's	1932	1,215,000	J & J	104⅛	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's	1923	4,313,000	J & J	93⅛	Oct. 31,'98	94	93	350,000
Detroit Gas Co. 1st con. g. 5's	1918	1,049,000	F & A	94	Aug. 10,'98	....	....	....
Edison Elec. Illu. 1st conv. g. 5's	1910	4,312,000	M & S	110	Oct. 17,'98	110	110	4,000
" 1st con. g. 5's	1995	2,156,000	J & J	117	Oct. 10,'98	117	117	1,000
" 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	....	....	....
General Electric Co. deb. g.5's	1922	6,000,000	J & D	109	Oct. 24,'98	109	108	9,000
Grand Rapids Gas Light Co. 1st g. 5's	1915	1,225,000	F & A	92½	Mar. 11,'95	....	....	....
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	105⅛	Oct. 27,'98	105⅛	104¾	57,000
" small bonds				97⅛	Nov. 1,'95	....	....	....
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	Oct. 10,'98	106¼	106	15,000
" 1st con. g 6's	1943	4,900,000	A & O	116	Oct. 25,'98	116	116	10,000
" 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	109⅛	Oct. 31,'98	109⅛	109⅛	1,000
Con. Gas Co.Chic. 1st gtd.g.5's	1936	4,346,000	J & D	105	Oct. 4,'98	105	105	10,000
Eq.Gas&Fuel,Chic.1stgtd.g.6's	1905	2,000,000	J & J	105⅛	Oct. 21,'98	105⅛	104⅛	28,000
MutualFuelGasCo.1stgtd.g.5's	1947	5,000,000	M & N	103	Oct. 28,'98	105	101¼	51,000
Western Gas Co. col. tr. g. 5's	1933	3,805,500	M & N	101	Mar. 16,'98	....	....	....

New Counterfeits.—The following-described photographic counterfeit notes have been received at the United States secret service office, and the person responsible for their circulation was arrested by an agent of the service, on September 28, 1898, and five thousand dollars of the counterfeits captured with materials for their manufacture and a quantity of counterfeit Mexican coins:

$5 Legal-Tender note described in circular letter No. 131, dated July 25, 1898.

$10 Phoenix National Bank of Phoenix, Arizona Ter., check letter C, series 1882, charter number 4729, bank number 1973, Treasury number R401967, W. S. Rosecrans, Register, E. H. Nebeker, Treasurer.

$20 United States Silver Certificate, series 1891, check letter A, plate number, 27, J. Fount Tillman, Register, D. N. Morgan, Treasurer, number E6621735, portrait of Daniel Manning.

$50 Bridgeton National Bank of Bridgeton, N. J., series 1882, check letter A, J. Fount Tillman, Register, D. N. Morgan, Treasurer, charter number 2999, Treasury number A671514, bank number 142.

$5 Silver Certificate, series 1896, check letter C, J. Fount Tillman, Register, D. N. Morgan, Treasurer, number 1330067, small round seal, back printed upside down.

On all of these notes the seal and numbering, also the panel on back of National bank notes, were colored with brush.

BANKERS' OBITUARY RECORD.

Arthur.—Dr. Christopher S. Arthur, county auditor for two terms, ex-President of the Citizens' Bank of Portland, Ind., and one of the leading surgeons of Indiana, died October 16. He was sixty-five years old.

Bonebrake.—Geo. H. Bonebrake, President of the Los Angeles (Cal.) National Bank, died October 31, aged sixty years.

Casner.—Lewis B. Casner, formerly President of the Farmers' Bank, Decatur, Ill., died October 25. He had been identified with the banking and other business interests of Decatur for many years.

Foster.—Hon. Reuben Foster, President of the Waterville (Me.) Savings Bank, a former mayor of Waterville, and at one time President of the State Senate and Speaker of the House of Representatives, died October 12, aged sixty-five years.

Goodale.—John A. Goodale, Cashier of the First National Bank, Utica, N. Y., died October 11, as a result of a fall from a bicycle. Mr. Goodale was sixty-five years of age and had been connected with the bank for about forty years.

Greenleaf.—Charles W. Greenleaf, for thirty years Cashier of the North Berwick (Me.) National Bank, died October 11, aged sixty-five years.

Johnson.—Charles G. Johnson, who was Cashier of the First National Bank, Monroe, Mich., from 1865 to 1876, and was a prominent and respected citizen, died October 6 at the age of seventy-six years.

Kenyon.—S. J. Kenyon, Cashier of the First National Bank, Park City, Utah, and Secretary of the Salt Lake Valley Loan and Trust Co., Salt Lake, died October 17.

Meister.—Fred W. Meister, President of the German Savings Institution, St. Louis, died October 17, aged seventy-seven years.

Markham.—A. C. Markham, President of the Central National Bank, Middletown, Conn., died October 6. He had been a director of the bank from the time of its organization, and President since 1887.

McGee.—James A. McGee, Cashier of the First National Bank, Somerset, Ky., died October 21.

Parsons.—Col. Guernsey S. Parsons, ex-mayor of Waterbury, Conn., a member of the firm of G. S. Parsons & Co., bankers, and Treasurer of the Dime Savings Bank, of Waterbury, died October 11, aged sixty-four years. In addition to being a well-known banker, Col. Parsons had filled a number of important official positions.

Parker.—Wm. H. Parker, President of the First National Bank, Lowell, Mass., and a wealthy manufacturer of that city, died October 10, aged eighty-one years.

Phippen.—Joseph H. Phippen, one of the oldest bank officers in Massachusetts, died October 15 at the advanced age of ninety-two years. In 1830 he entered the Mercantile Bank, at Salem, as a clerk. He was promoted until he became Cashier, holding this office until 1896, when he resigned and was made Cashier emeritus.

Swan.—James C. Swan, an old and respected citizen of Newport, R. I., died October 20 in his eighty-seventh year. He was the President of the New England Commercial Bank and the Savings Bank of Newport.

Tarbox.—Thomas Tarbox, President of the Buxton and Hollis Savings Bank, West Buxton, Me., died October 17, aged eighty-two years.

Walpert.—Frederick Walpert, President of the Economy Savings Bank, of Baltimore, Md., and a director of the American National Bank, died October 4.

Whitehead.—Charles Whitehead, Cashier of the First National Bank, Trenton, N. J., died October 30. He was seventy-one years of age and had been the bank's Cashier for thirty years.

Wood.—Col. Alonzo Wood, President of the First National Bank, West Winfield, N. Y., died October 25, aged eighty-six years.

THE

BANKERS' MAGAZINE.

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SECOND YEAR. DECEMBER, 1898. VOLUME LVII, No. 6.

THE BANKERS' MAGAZINE FOR 1899.

Present conditions assuredly justify the hope that the closing year of the nineteenth century will be one of remarkable prosperity to the people of the United States. Possibly never before, certainly not in recent years, have all the indications been more propitious.

The successful termination of the war with Spain, resulting in a large accession to our national domain and the probable expansion of our commerce; the extremely favorable condition of our foreign trade; the large crops; the renewed energy in every avenue of commercial and industrial activity; the emphasis given to the popular verdict of 1896 by the recent elections—all these are elements making up a situation that could not well be bettered.

With the great development that will follow the territorial accessions resulting from the war there will come an increased demand for capital. If the many new enterprises to be set in motion shall absorb a considerable part of the floating capital now seeking investment, there will be more room at home for the profitable employment of the accumulations of money in the banks. Though the tendency of late years has been toward a gradual decline in banking profits, the active demand for money likely to follow the "policy of expansion" will probably counteract this tendency for some time to come, and the banker who has money to lend during the coming year ought to be able to get satisfactory returns for its use.

Besides the demand for capital in our new possessions, the coming year bids fair to see a continuation of the present prosperous conditions in all the States of the Union. Doubt and distrust have disappeared, and all sections of the country are moving in accord. Great issues upon which there is a substantial unanimity of opinion have taken the place of questions which formerly divided the people. Those parts of the country where but recently there was the most discontent are now experiencing the greatest prosperity as a result of the sale of abundant products at satisfactory prices.

But while every sign points to a year of great activity, it must not be forgotten that many forms of business—banking especially—are undergoing rapid and material changes. Altered political conditions, the great accumulation of capital in the country, the swift strides made in the field of industry—these and other influences are at work to enrich those who study them in the proper light, or to impoverish those who refuse to listen to their teachings.

The year 1899 will be a twelvemonth of events—a time when one must be equipped to take advantage of the many progressive movements of the day.

It has been the aim of the BANKERS' MAGAZINE to keep its readers fully informed as to the trend of banking affairs, and many of the great problems which the banks had to meet if their business was to be continued at an adequate profit, have been foreshadowed in its pages. The necessity of possessing such knowledge during the coming year is likely to be increased by the course of events, and nowhere else can the banker or financier find such an extensive and varied store of information, embracing the most expert opinion available, as may be found in the BANKERS' MAGAZINE.

We are sure that no other publication occupying a similar field has been at all comparable to it in the year now closing, and in the approaching year the distance which separates this MAGAZINE from the possibility of successful competition will be further increased. It will continue to be indisputably the best bankers' publication in the world.

Every department which has heretofore added to the strength of the MAGAZINE will be sustained with increased vigor, and whatever is new that is of value will be added.

The notable papers on the great banking systems of the world, which have already included nearly all the European banks, will be continued until a complete record is presented of all the leading banking systems of the world. Containing information in a more concise and complete form than is elsewhere available, this feature alone will be worth more than the subscription price.

It is purposed to begin a series of illustrated articles in the near future treating of the prominent banks and bankers, past and present, of the United States.

Banking law decisions are reported fully and accurately, from the official reports, and these will be supplemented by the services of the legal editor, who will summarize the points of each decision, and answer free of charge through the pages of the MAGAZINE all banking law questions submitted by subscribers.

Modern banking methods, as practiced in the most progressive banks, will be treated of in a series of papers now running, and which will include every detail of bank management from the time of organization.

In the work of currency reform the BANKERS' MAGAZINE will be as heretofore a leader, standing always for that which is best.

Thanking its thousands of friends all over the Union for their patronage, the MAGAZINE enters upon the new year with a determination to maintain its position in its special field, unrivalled in circulation, authority and influence.

BANKS WITH BRANCHES are favored by many who advocate a reform of the banking system now existing in the United States. The present system of banks with comparatively small capital, managed with entire independence of each other, is the result of the dislike of monopolies. The first two Banks of the United States were banks with branches. Both of them during the respective periods of their existence aroused the opposition of local banks chartered by the States.

In the nature of things a bank chartered by a State, even if its charter permits it to establish branches, has no legal authority to establish these branches in other States. Therefore those who advocate banks with branches as a remedy for the alleged incapacity of the present system to furnish the banking facilities required in places without the minimum capital necessary under the national banking laws, mean banks under a national charter which will enable them to organize branches in any part of the United States.

These banks so chartered would in every essential particular be identical in the principle of their management with the two Banks of the United States, which were the victims of local opposition. Instead of one bank at a time, however, there would probably be five hundred of such institutions within the country, if the number of banks under the Canadian system be taken as a criterion.

It is said that the strongest argument against the big bank with branches is that such an institution is not in accord with our political institutions. This is not an entirely comprehensive statement of the difficulties. There is not perhaps any essential antagonism between banks of this description and the republican form of our government. The opposition to them arises in the balance of power that has hitherto been maintained between the government of the States and the Government of the United States.

Before the adoption of the Federal Constitution the separate States or colonies chartered banks, and the Continental Congress also chartered one institution. At the adoption of the Constitution in 1789, the new Government chartered the first Bank of the United States, which had the power to establish and did establish branches. At the time this bank commenced business there were not to exceed half a dozen other banks chartered by the States in operation. But by 1805, about the time that the renewal of the charter of the first Bank of the United States began to be discussed, there were seventy-five banks in operation.

There is little doubt that this Bank of the United States with its branches did much to repress the growth of State banking, inasmuch as within four years after the expiration of its charter in 1811 the number of State banks in operation had increased from eighty-eight in 1811 to 208 in 1815. The vote against the recharter was very close. In the Senate there was a tie, which was decided against the bank by the vote of Vice-President GEO. CLINTON, one of the strongest promoters of State banks in New York. In the House the bank lost by a minority of one.

The second Bank of the United States, like the first, established branches. Attempts were made in several of the States—notably in Ohio and Maryland—to drive the branches out of existence by taxation. All through the history of the second Bank of the United States may be found traces of a constant warfare between the great bank and its branches and the local State banks. The Bank of the United States attempted to restrict the issues of the State banks by compelling redemptions, and the State banks resented the interference by every possible method. They constantly ascribed every financial crisis and disaster to interested operations of the great bank and its branches. The second Bank of the United States was the terror that walked in darkness, to the State rights men of that day, as is the mysterious gold-bug conspiracy to the Populist of 1898. Much of the prejudice against banks so ofen referred to is an inheritance from the times of controversy between local State banking and the great bank of 1836 and its branches.

It will be found to-day when the Populist orator declaims against banks that he does not mean, nor does his audience understand him to mean, the local State or Savings or private bank, but he refers to the National bank chartered by the authorities at Washington. The local National bank is regarded as a far-reaching tentacle of the money power, much as the branches of the old Banks of the United States were looked upon by the opposition of that day. In other words, the national banking system instead of being understood as it really is, is looked upon as a unity of which every single National bank is a component and inseparable part. Hence we hear such arguments as that the National banks in combination call in loans and make money scarce, or at other seasons of the year make money plenty and tempt unsuspecting citizens to borrow and run inextricably in debt.

The special privileges of the National banks are to-day the cause of complaint on the part of those who look upon the system as a bar to the revival of State banks with circulation.

The objection to the substitution of banks with large capital and branches for the present system of local banks is not, strictly speaking, that such institutions are opposed to our political system, but that the banking customs of the people, and the prejudices aroused by former controversies between local and foreign bank capital, have caused the establishment of branches supplied with foreign capital to be looked upon with disfavor.

If a system could be established in the United States comprising a sufficient number of banks each with large capital, say not less than twenty millions of dollars each, located in the centres of trade, where combined in clearing-houses they could support each other in times of crisis, establishing branches in all parts of the country where deposits could be received, loans made or stock subscribed for, using the surplus capital of one locality to supply the deficiency of another; this no doubt seems to be an ideal system both for strength and efficient service to the public. But however desirable such a system might be, its substitution for the present system would be a labor worthy of Hercules if he were given entire charge of the finances of the country. Were the liberty of establishing branches granted to all the National banks by Congress at its next session, what would be the result? Is it certain that branches would be first placed in all the little places where there is a dearth of capital and which it is said a branch system would relieve? It is probable that for some years there would be a sort of Kilkenny cat fight among the existing institutions, both State and National, to locate branches in those places where the best returns could be obtained.

There are in the United States about 3,600 National banks. About 120 of these have a capital of $1,000,000, and over, and about 176 have a capital of $500,000, and less than $1,000,000. These 296 banks, located chiefly in the financial centres, are the institutions that would be in the most suitable condition to establish branches. Of the total amount of $640,000,000 capital possessed by the National banks, these 296 banks hold about $256,000,000. By the judicious establishment of branches these banks could by degrees force all the other National banks to consolidate with them; and controlling all the State and private banks in the same manner, the result would be that the banking business of the country would in the end be in the hands of about 300 great banks, bound together in clearing-houses at the commercial centres, with perhaps twelve or fifteen thousand branches located in every locality where it was found worth while to establish one or more branch offices.

Admitting for the sake of argument that such a system would have a strength and efficiency far beyond the present one, can it be predicated that this process of consolidation and concentration would be completed without friction or complaint and with entire justice to all who now have capital invested in banks? Notwithstanding the losses to which the public is occasionally liable under the existing system of independent banks with comparatively small capital, does not this system of local capital encourage individual enterprise to an extent impossible under a more concentrated and consolidated system? And it is not at all sure that losses would be prevented by such consolidation of interests. There are not lacking instances where great capital and an immense network of branches have not prevented failures, all the more disastrous on account of the size of the institution. When a small bank fails, while disastrous in its own immediate circle, that circle is so small that the general public is far from being stricken with the panic which the failure of a large bank causes and which brings disaster on other institutions.

On the whole it must be concluded that it would be impossible to foresee the possible results of permitting all or any of the National banks to establish branches. Those who drafted the original National Banking Law were very careful to exclude this power from those granted to National banking associations. It is true that they permitted certain State banks when converted to National banks to retain branches already established under permission of the State charter, but they gave them no permission to further extend their branches. In these special cases the branches were always within the same State in which the parent bank was located.

THE EXPANSION OF OUR TERRITORY is regarded with apprehension by many, who fear that it may tend to increase the element of corruption in the political life of the nation. That this corrupt element and tendency to the augmentation of corrupt methods in political life exist in all nations at certain stages of their growth and development, is one of the plainest lessons of history. Many of the ancient nations were overwhelmed in consequence of it. But it will be found that the destruction of the great monarchies and republics of antiquity was not due alone to this. As long as these States continued in vigorous growth, and until this growth was stopped by other influence, they were able to overcome and throw off the effects of internal corruption. Just as a healthy constitution in an individual throws off the poisons and malarias that assail it, so a State that has vigorous growth throws off the effects of the tendency to corruption of its politics that is the necessary consequence of the weakness of human nature.

It seems to be true of all forms of government of which history treats that as long as the nations using them have within themselves the elements of vigorous life there is an unavoidable tendency to expansion of territory. The conditions of vigorous life chiefly consist in the character and energy of the individuals who make up the nation. The great empires of the East, the Assyrian, Persian and Egyptian, were always most prosperous during the periods of conquest and expansion. Their downfall was not due to this expansion but to the cessation of it. Although it is the fashion, whenever the rhetorician desires to point a moral, to ascribe the downfall of these ancient empires, and of the republics of Rome and Athens, to the corruption which overwhelmed their administration, yet the accurate historian can show that there were other more potent causes that led to the result.

Modern nations, while subject to the same general laws, are existing under different circumstance from those which surrounded the nations of antiquity. The world to-day has been thoroughly explored. There are no longer unknown lands with their swarms of energetic inhabitants ready at any time to undertake destructive invasion. The various military and naval forces of the world are known almost to a certainty, and their effects for the most part discounted. There can to-day hardly be a national struggle of any magnitude of which the result cannot be predicted with great accuracy from a previous comparison of the forces available to each of the contestants. The strength of a modern nation for attack or defense can be very nearly calculated upon the basis of its population and wealth and its geographical situation. No serious battle is usually undertaken against forces known to be overwhelmingly superior. The great majority of the wars to-day are merely the wars of the constable to preserve local law and order. The result of the war between the United States and Spain shows what a weak nation has to expect when she joins battle with a stronger power. If Spain had not been mediæval in her ideas she would never have entered into such a contest. Her retrogression was not due to her previous expansion of territory and the possession of colonies, nor to political corruption as a first cause, but to her failure to keep pace with the advance of other nations in economic ideas and in the various lines of improvement which constitute civilization.

Corruption is attendant upon the decline of a State, but it is not the cause of it. That a healthy, growing nation can prosper and shake off the effects of political corruption has been shown by the example of England. When that country first entered on her career of expansion no nation could have suffered more from corruption in her home politics. No country was more overridden with trusts and monopolies than England in the eighteenth century and the beginning of the nineteenth. English statesmen did not shrink from a most shameless trade in votes and places. Her foreign possessions were at first hotbeds of the most mercenary and grasping corruption on the part of those who were delegated to govern them.

But redemption from this state of things gradually followed, and to-day the government of Great Britain and her colonies forms a model for the rest of the world.

In this country there are to-day, and always have been and probably always will be, corrupt practices in the pursuit of wealth and political power. But the outcry against these practices and the punishment that often overtakes them indicate that the general morality of the nation is sound. The small expansion of territory, about which so much is said, will, in the first attempts to govern the new populations, no doubt give opportunities to designing men to enrich themselves and increase their power by lawless and corrupt methods. But this condition of affairs will be only temporary. The nation will outgrow this period and overcome these difficulties. The general sense of the people is in favor of order and good government, and this moral condition will in the end force its influence upon every branch of the government whether at home or in foreign acquisitions.

If moribund Spain, with its mediæval ideas, had difficulties, there is no reason to argue that the United States will find them to exist under better ideas of government. There will no doubt be some departure from the preconceived notions of the principles of the Federal Constitution, but no more than there is precedent for in the government of the Indians.

PRIVATE EXAMINATIONS OF BANKS by official examiners of National banks appear to have been brought to the attention of the Comptroller of the Currency by the recent failure of the Tradesmen's National Bank, of New York city. It seems to have been the custom for many years in that city, and perhaps in other cities, for the National bank examiner for the locality to accept employment from the managing officers or directory of the banks and to examine the affairs of their association as a business distinct from the examinations made on behalf of the Government.

It has been the practice to make annual examinations of each National bank officially, and then to conduct the extra examinations for the special information and behoof of the officers and directors of the bank. Reports of the official examinations were made to the Comptroller of the Currency, but reports of the other examinations were made only to the bank. The bank of course paid for all the examinations. For the official examination, however, payment was made to the Comptroller of the Currency and through him to the examiner. For the unofficial report payment was made direct to the examiner. The former payment was regulated by law, and could not be excessive, the latter might be any amount agreed between the bank and examiner or even might be in the nature of a gratuity if the bank officers or directors saw reason to gain the good will of the examiner.

There is no doubt that the majority if not all of these unofficial examinations have been conducted in perfect good faith and honesty, and that they have served a good purpose and have been beneficial to officers and directors. But it is also obvious that there are serious objections to the official examiner placing himself in a position where his usefulness to the Government in performing his delicate duties may very easily be weakened.

On the part of bank officials and directors, actuated only by an honest purpose, it may be said that it appeared of great advantage to them to have a man who from his position had the authority of an expert of the first class to go over the business of the bank and report minutely on all that he discovered. It is true that there are other accountants who may be equally equipped to make these examinations, but they have not the reputation and authority, and a board of directors who shrank from personally performing the labor of a tedious examination into the details of the business of a large bank, when they delegated their duties felt more at ease, knowing they had secured the highest recognized skill to represent them.

On the other hand, however, apart from the relaxation of the personal watchfulness of directors who hire others to perform duties which are supposed to devolve on the officers and directors, there is full opportunity if the intention is not thoroughly good, of getting a line on the official examiner, if he is employed unofficially. The management, from his report made to them, can form a very shrewd opinion of what kind of a report he will make to the Comptroller of the Currency. If there is really anything wrong about the bank, it will be seen approximately at least whether the examiner is sharp enough to discover it. If he does, a motive at once exists to endeavor to corrupt him so that he may gloss the matter in his official reports. It is an advantage to the wolves to be able to obtain an accurate measure of the strength of the watch-dog.

Again, something may be said from the point of view of the honest examiner in favor of making unofficial examinations. A shrewd man, asked to make one of these investigations, can by the circumstances connected with his employment judge very closely if there are underlying motives which should excite his suspicion. Supposing his suspicion aroused; without manifesting it he undertakes the examination, and discovering that something is wrong, he lets it pass as if he did not observe it, and by the actions of those to whom he makes his report he is perhaps able to strengthen his surmises of the degree of blame to be placed. If under such circumstances an extraordinary payment is offered, he would be strengthened in the belief of the fear of discovery. He would thus obtain stronger data for an official report which might save the bank. But although there is something in this line of argument, most men would look upon such methods of procedure as playing with edge tools.

The bank examiner should not as a rule resort to the devices of the ordinary detective. If he does he will surely lose much of his personal prestige, and his reports will lose much of their weight when relied on as evidence.

The action of the Comptroller, therefore, in forbidding National bank examiners from accepting employment from banks which they visit in their official capacity, is much to be approved. And the determination to have semi-annual instead of annual examinations at least in places where the greatest financial activity prevails and the turnover of assets is most rapid, is also an improvement in the direction of safety.

It can certainly be no hardship to the banks to deprive them of the service of the official examiner in a private capacity. There are plenty of capable accountants whose services can always be obtained by managers and directors of banks who desire to have the affairs in their charge carefully investigated from time to time. These gentlemen will not regret the new rule of the Comptroller, as they must have looked upon the private employment of the official examiner as an unfair form of competition.

THE REPORT OF THE DIRECTOR OF THE MINT indicates that the gold coinage of the world for the year ending June 30, 1898, was about double that of any previous year. The coinage of gold by the United States mints for the year was not, however, up to the average because of the lack of mint facilities, and the stock of gold bullion ready for coinage had increased to $134,000,000.

The statistics of gold production continue to show an increase. In 1888 the gold production of the world was $110,000,000. During the calendar year 1897 it was $237,000,000, and for 1898 the Director estimates the world's production as high as $275,000,000. All the chief mining sources show an increase in their output. The receipts from Alaska are reported at $10,000,000.

The abandonment of silver as a material for money of full account by the world generally has given an immense impulse to the production of gold. Search has been made in every direction for new mines, and old mines are being reinstated. Gold is one of the most widely distributed of minerals, although the localities where it occurs in paying quantities are not so numerous. Gold is found in sea water and in most clays, although in minute quantities. It has been estimated that gold enough to pay the national debt is in the beds of clay which underlie the city of Philadelphia. There is no chance, however, that it will be extracted.

The newspapers continually give accounts of gold mines discovered in the most unexpected places, and these stories generally have some foundation, in that small quantities of gold—a show at least—can be found almost anywhere.

The eagerness to obtain the metal makes it easy for speculators to start small companies to exploit vicinities where there are indications which appear promising to amateurs in mining.

THE PROSPECTS OF THE NICARAGUA CANAL, under the auspices of the Maritime Canal Company, which holds the commission which the Nicaraguan Government claims to have been forfeited, depend on the action of Congress and the United States Government. The company claims that its concession has not been forfeited and that it has life until the end of 1899.

The State of Nicaragua has entered into the union of the Central American States, and there is a chance that this new federation may abrogate all that has been done by Nicaragua; but in case this action is taken the canal company seems to build its hopes on interference by the United States Government in the event that Congress at its next session shall legally and formally bind the United States to the completion of the canal.

The annexation of Hawaii, and the acquisition of the Philippines will render it very necessary that there should be some short route for the navy between the Atlantic and the Pacific, and there is little doubt but this consideration will have great weight with Congress.

There is, however, great opposition shown to the Nicaraguan Canal scheme by the stockholders of the Panama Canal Company. It is claimed that this latter ship canal is in active course of completion and that the company has means at hand for completing it in five years. At any rate the Panama Company is manifesting a desire to enter into negotiations with the authorities in this country for some purpose. At present it is claimed that all this company desires of the United States is that the Administration shall recognize the canal as a neutral waterway. But it is likely that they would not object to pecuniary assistance from this country any more than the company interested in the Nicaraguan plan, and if it is desired by Congress to expedite the completion of a practicable short route for ships between the Atlantic and Pacific, there is at least a chance that some effort might be made at the next session to commit the United States to the Panama route. If this effort is successful, assistance might be accepted by the company and in exchange the United States might obtain a paramount control over the canal.

It is probable that the completion of both of these canals is only a question of time. To give governmental assistance in the construction of either one would be a precedent for sooner or later helping the other.

It is said that another syndicate of capitalists from the United States has obtained a concession from the Nicaraguan President and Congress, which is to take effect apparently, if the concession to the Maritime Canal Company is abandoned or conclusively abrogated.

In reality most of the reports of future aid to be given by the Government in the construction of these canals seem to rest on the hopes of the stockholders and on the visible necessity that there should be some short cut between the Atlantic and Pacific for United States ships of war.

THE STATE BANKS OF GEORGIA have for a number of years been prominent in the effort to secure the repeal of the law taxing the use of State bank circulation. The chance of securing this repeal by the action of Congress seems to grow more and more remote, and it is even a matter of doubt whether any action at all will be taken to secure a currency reform which will recognize the currency-issuing function of banks to a useful extent under a national law.

If a bill like the McCLEARY bill should become a law, the agitation of the revival of State bank issues would seem of less importance to those interested, inasmuch as this measure would give as ample privileges to banking capital under a national law as could be secured under a State enactment.

But pending Congressional action it seems to be the intention of the Georgia banks to secure the privilege of circulation by testing the constitutionality of the law which now prohibits State bank issues. This law has already been pronounced upon by the United States Supreme Court. It was held constitutional because the tax was not laid on the notes but on their use as a circulating medium. This would appear to be conclusive ; but when it is considered that the main practical reason for imposing the tax was to suppress the use of State bank notes in order that the notes of the banks organized under the national currency law then newly enacted might have a clear field for their issue, and that the conditions in regard to National bank notes existing in 1898 are entirely different from those existing in 1865 and 1866, there is perhaps some slight chance that the Supreme Court may find some ground for modifying its former decision.

In 1865 and 1866 the whole energies of the Government were bent on making the national banking system a success. The opposition of the strongly established State banks had to be overcome before this success could be secured. The greatest strength of the State banks at this time lay in their power under their State charters to issue their promissory notes. The Government desired to secure a market and a sustaining backing for its bonded debt. As long as the State banks were free to issue notes under liberal charters, there was small probability that banking capital to any great extent would enter the national system. But to-day the circumstances are changed; the circulation field is so filled up with Government notes of various kinds that the circulation privilege is worth little to the National banks. The credit of the Government has become so strong that the backing to its bonds given by the use of them by the National banks as a basis for notes is now entirely unnecessary.

The Georgia House of Representatives has passed a bill providing for a commission, consisting of the Treasurer, Comptroller and Governor of the State, with power to issue currency notes for circulation, to the amount of seventy-five per cent. of the capital stock, to any bank applying for the same. When the United States Government attempts to collect the ten per cent. tax on such notes, the Attorney-General of the State, it is provided in the bill, is to appeal to the Supreme Court at Washington, and bring about another test of the constitutionality of the law.

Of course it is impossible to predict what the result of such a flank movement may be. There seems to be very slight chance that the court will reverse its former decision, especially in the face of the general impolicy of a return to State bank issues.

As has often been said, the use of these issues in very many and perhaps in a majority of the States, and no doubt in Georgia, would prove both safe and beneficial; but even before the acquisition of new territory, there were some sections of the country where the privilege of issuing notes by State banks would almost certainly be abused to the detriment and damage of the whole country. With the newly-acquired territory lying at great distances, the necessity for the firm exercise of power by the central Government seems to be more necessary than ever. To yield in ever so slight a degree the right to control the currency, as must be done if the ten per cent. tax be declared unconstitutional, would seem to be so contrary to public policy that this ground for maintaining the former decision of the court will probably be paramount over all minor considerations bearing in the contrary direction, however plausible they may be.

And yet it is difficult not to sympathize with the State bankers of Georgia and other Southern States in their desire for the privilege of issuing a local circulation. There is no part of the country where the banks would make better or wiser use of it. The National banks have been less useful in the southern section of the country than in any other. But the true solution of the difficulty lies in the extension of the privileges of the National Banking Law so that the banks now doing business under the State systems will find it to their advantage to act under the national law. They will do so as soon as this law enables them to meet the financial needs of their section better than the State laws under which they are now doing business.

THE RESULT OF THE NOVEMBER ELECTIONS has shown that there has been a great change in the minds of the people in regard to silver. The next Congress will have a Republican majority, both in the House and in the Senate, and the Administration now has it in its power to place the financial system of the country on the soundest possible basis. Whether this opportunity will be fully availed of depends more or less upon the considerations of political expediency which may arise in the interval or intervals which must elapse before legislative action can be taken.

The attempt of the enactment of a currency reform measure during the short session of the present Congress appears to be on the whole unadvisable, owing to the make-up of the Senate. If the result of the election had been different, then it might have been policy to have made the attempt to pass the McCLEARY measure at the short session, but now there is not the same necessity, and Congressman FOWLER and other leaders of the movement advise earnestly against it.

The President may see fit to call an extra session after March 4, but it is not believed that the well-wishers of currency reform should be too ardent in urging this course on account of their measure. The campaign of education which has been kept up by the committee of the Monetary Conference has manifested its effects in the election, and the continuance of their work during another year cannot fail to still further prepare the public mind for the changes they have in view. The silver issue is acknowledged to be dead by many of its most strenuous advocates, and the party which has hitherto supported it is casting about for some new presentation of the monetary question which shall again rally the various elements which have hitherto supported silver.

The struggle against unsound financial theories is like fighting the hydra. As soon as the silver head is lopped off, up starts that of prejudice against the banks. Already there have been indications that the attempt to institute a satisfactory bank currency in place of Government notes will be held up to the people as an attempt to foster an odious monopoly. The old plausible arguments in favor of greenbacks as against bank notes will be brought out with renewed force at the first opportunity. There are always leaders ready to take advantage of socialistic tendencies and to array the improvident against the thrifty. They appeal to the unintelligent spirit of envy, and attempt to blind the eyes of those who are seeking to better their condition in order to prevent them from seeing the opportunities and advantages that a financial system founded on true principles affords to the poor in even greater degree than the rich. The effect of the work of the Monetary Committee has been to open the eyes of those classes amongst whom prejudice most prevails to these opportunities and advantages. This work continued through another year, until the first regular session of the next Congress, cannot fail to cut still more ground from under the feet of those who seek to make a political issue of banking reform. In the meantime the attention of the public will be occupied with the settlement of the war questions and those growing out of the governing of acquired territory. Currency reform will gradually cease to have much political importance, and measures to carry it out will be discussed in a more statesmanlike spirit by both sides of the House and Senate.

It will be a happy day for the country when it becomes impossible to array the people in political contest over a purely economic question.

Of course, if for other reasons the President sees fit to call the new Congress together in extra session, it may perhaps be wise to bring up the currency question. In the meantime the dangers which experience has shown may at times arise under the existing financial laws are in abeyance. The large balance of trade in favor of the United States and the great accumulation of gold in consequence and the larger revenues have strengthened the Treasury, so that there is no immediate danger to be apprehended. But while there may be wisdom in not being in undue haste to reap the fruit of the labors that have been performed in favor of currency reform, yet there should be no relaxation of effort in the campaign of education which has commenced to accomplish such visible results as were shown in the last election. These efforts should be kept up until their object is attained and the necessary legislation secured.

THE INCREASING PROSPERITY OF THE COUNTRY is now so plainly manifest as to be indisputable. There is no doubt that for a time the uncertainty of the result of the war had a bad effect on many industries, but the mass of occupations were little affected, and even in some cases benefited by the unusual activities of the contest with Spain. Prices have not been much higher, but the markets have adjusted themselves to the range prevailing, and there has been a firmer demand and not as much difficulty in effecting sales.

The beginning of the year found the Government threatened with deficiency of revenue, but the extra taxes imposed on account of the war and the loan have relieved all anxiety in regard to weakness in the Treasury. The large imports of gold into the country, and the maintenance of the unprecedented exportations of products and manufactures, give for the present and promise for the future an ample supply of gold. The result of the November elections has tended to quiet those apprehensions of change of standard which caused foreign distrust of the securities of the country.

The last disquieting element has been removed by the successful termination of the negotiations of the Peace Commission in Paris.

There are some who fear that the expansion of territory will involve great changes in our system of government, but the apprehensions seem to be very much exaggerated. The immense continental territory of the United States, with her wealth and population, afford such a solid nucleus that it is impossible to see how it can be seriously affected by the acquisition of the comparatively minute slands which have been taken from Spain.

Under our system of local government with which the Federal power is not called to interfere, except in extreme cases, there has time and again been lawlessness and violence in particular localities, without in the least affecting the great mass of the body politic. There may be difficulties of the same kind in governing and regulating the populations of Cuba, Porto Rico, and the Philippines. But in the end these people will learn to take care of themselves after the fashion they are most partial to, just as most communities now govern themselves in the United States.

It is probable that the war and the acquisition of territory consequent upon it with the attendant exciting events have had the moral effect of diverting the minds of a large part of the population of the country from the contemplation of the depressing effects of the panic of 1893. Dwelling on unfortunate conditions could not fail to prevent or diminish the exertions necessary to the recovery of prosperity. The diversion of thought from old and useless issues has caused a more optimistic feeling and has tended to encourage confidence in the future, which is now producing good effects in all lines of trade.

The Paine currency bill is arousing considerable discussion among those interested in currency reform. It permits circulation for State banks under national supervision. If State banks are to be permitted to issue circulation, it is generally conceded that uniformity of issue would be better secured by bringing these institutions under the supervision of the Comptroller of the Currency.

The Legislature of the State of Georgia is taking steps to fight the payment of the ten per cent. tax on State bank circulating notes. On November 17 a bill to test the constitutionality of the ten per cent. Federal bank tax unanimously passed the House of Representatives of that State. The measure provides that a commission consisting of the Governor, Treasurer and Comptroller can issue State bank notes to any bank to the extent of seventy-five per cent. of its capital stock, to be secured by a first lien. Should the bank be compelled to pay the ten per cent. tax the State Attorney-General will appeal the case to the Supreme Court and there defend it.

This is evidence of a feeling that obtains not, however, from the slightest hostility to the National banks, but on the contrary it is believed by many that State banks should have, in harmony with the National corporations, the privilege, under proper restrictions as to safety, of issuing circulating notes. The issue of such a currency would solve the vexing and harrassing "greenback" question, thereby relieving the Government of an exceedingly large sum of indebtedness. It may be added that because certain so-called banks issued at one time in the history of our country "wild-cat" and "red-dog" alleged currency, it is unfair to claim that the circulating notes of State banks generally speaking were of that character.

The fact is the National Bank Act of the United States is based on the remarkably well-framed statute known as the Free Banking Act of the State of New York which became a law in the year 1838.*

The measure known as the Paine Currency Bill has been introduced in the House by Congressman Henry C. Brewster, President of the Traders' National Bank, of Rochester, N. Y., and in the Senate by Senator Thomas C. Platt.

* Whatever is excellent in the present National bank system belongs not to one Secretary of the Treasury or another, but to the fact that the general Government borrowed the principles of sound finance from the great State of New York. This system, too, has been applied to the Bank of England, so that New York may claim to be the Empire State of sound banking, whose men and principles have given a currency whose actual value is the same as its nominal value, to two worlds.

This Act is entitled "An Act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulating and redemption thereof," and is based upon the Free Banking Act (Ch. 260, Laws of 1838) of the State of New York.

The satisfactory experience of the people of this State in connection with the practical working of the general banking law of 1838 doubtless led to the adoption by the National Legislature of its leading features, and it is a remarkable fact that experience has demonstrated that only in a few instances have either the State or the National Act required any change in order to improve them.—*Paine's Banking Laws.*

It is the work of WILLIS S. PAINE, ex-Superintendent of the Banking Department of the State of New York, and is evidently the result of much careful study. It is manifestly an original measure. The author is widely known as having great practical experience as well as theoretical knowledge gained in connection with banking laws, both as an originator and as a compiler of such legislation.

In a recent editorial in the "New York Times" the bill was referred to as "a plan by a competent financier to provide a banking currency by the simplest feasible method."

A synopsis of the plan is as follows:

A bank-note currency is to be issued to State banks of deposit and discount which have been organized under general laws. Section third of the bill is the most important, and provides as follows:

Any such bank may deliver and transfer to the Treasurer of the United States, in trust for such banks, stocks or bonds of any State in the United States that has not within ten years previous to such delivery defaulted in the payment of any part of either principal or interest of any debt authorized by the Legislature of such State to be contracted, or stocks or bonds of any city or county the total indebtedness of which does not exceed ten per centum of the valuation of its taxable property (and the enumeration of whose inhabitants by a United States census shall exceed fifty thousand) in the United States, issued pursuant to the law of the State in which such city is located, and thereupon the bank making such delivery and transfer shall be entitled to receive from the Comptroller of the Currency circulating notes of different denominations in blank, registered and countersigned in the manner hereinafter provided; but the amount of such notes received by any bank shall not exceed eighty per centum of the current market value of the stocks or bonds so delivered, nor shall it exceed the par value thereof. At no time shall the total of such notes issued to such bank exceed seventy per centum of the capital stock of such bank actually paid in cash. The circulating notes so received shall be a first lien on the assets of such bank.

The following provision is contained in the fifth section:

Whenever the indebtedness of any body politic specified in the third section of this Act, and the bonds or stocks of which have been deposited in trust in accordance therewith, shall exceed ten per centum of the assessed value of the taxable real estate in said body politic, or whenever the market value of the bonds or stocks deposited by any bank depreciate to such extent that the total amount of circulating notes of the bank depositing such securities may exceed eighty per centum of the current market value of such securities, the Comptroller of the Currency may notify the bank having such depreciating securities on deposit to substitute other and better securities of the character named in the third section of this Act, or may, in his discretion, and after ten days' notice to the bank, dispose of such depreciating securities at public sale, and apply the proceeds to the redemption of the notes of such bank, to the end and extent that the amount of the notes of such bank then outstanding may not exceed eighty per centum of the current value of the securities remaining on deposit, rendering the surplus of such proceeds, after deducting the expenses of the sale, if any, to the bank and taking a sufficient receipt therefor.

As additional and ultimate security, a safety fund is provided to which it is proposed each bank shall contribute one-half per cent. of its capital each year until it has contributed two per cent. thereof, any impairment of the safety fund to be made good by a re-contribution by the banks until it shall again equal two per cent. of each bank's capital. A tax on the circulation of one-half of one per cent. each half-year, similar to that paid by the National banks, is provided. The Treasurer of the United States is made a depositary of the securities, and all circulation is to be issued by the Comptroller of the Currency, who is also charged with the duty of requiring the banks to make substitution for depreciated securities ; and the Comptroller is given power, with the approval of the Secretary of the Treasury, to appoint examiners of the banks as often as once a year, or oftener if he deems necessary.

This bill enlarges the basis of security, thus permitting a volume both ample and elastic for all commercial needs.

The chief argument urged in favor of this proposed law is that it provides for the long-sought privilege of issue by State banks without the objections which have heretofore been effective against State bank issues.

The issue of notes is to be by the Comptroller of the Currency ; thus the essential of uniformity would be secured, while the powers which that official is given by way of supervision of the banks and control of the securities and the currency based upon them, together with the safety-fund feature, would, in the opinion of the author of the measure, make the currency proposed as secure as that now issued by the National banks.

Obviously the measure would improve the bond market, and by causing an additional demand for bonds tend to lessen the rate of interest now paid by municipalities.

The recent elections demonstrate that the financial policy of the Administration has the approval of the people. The author of this measure deems its introduction at this time as opportune, because it provides a logical enlargement of the present system of bond-secured currency issued upon safe lines with beneficial effect in increasing the volume, and there seem to be many points in favor of its practical operation.

The bill is now before the Banking and Currency Committee of the House of Representatives and the Finance Committee of the Senate.

AN IMPORTANT STEP IN CURRENCY REFORM will be the selection of a new Chairman of the Banking and Currency Committee by the Speaker of the next House of Representatives. Since the constitution of the present Senate is such as to render the passage of any effective measure of currency reform improbable, the matter is likely to go over until next December, or to be taken up at an extra session called for that specific purpose, as strongly advocated by a leading Senator in an article published on a following page.

A new Chairman must be designated when the next Congress meets, as Mr. WALKER, the present Chairman, failed of re-election, his opponent—also a sound-money man—defeating him by a very narrow plurality.

Hon. CHARLES N. FOWLER, a Representative from the Eighth New Jersey District, is being strongly urged for the position, and we believe that no selection could be made that would be more acceptable to the friends of currency reform. In the first place, his views upon this subject—now of most vital concern to our national interests—are thoroughly sound. As a member of the Banking and Currency Committee he has labored with great energy and ability to promote the cause of currency reform along the safest lines, and his work has been very effectual in securing a gradual concentration of opinion in the Committee as to the proper methods to be followed in order to gain the best results.

Mr. FOWLER, in addition to being a close student of monetary and banking science, is well equipped in other respects to lead in the coming fight. Though aggressive and earnest, he is sufficiently regardful of the opinions of others as to avoid unnecessary antagonisms, while his sincerity of purpose and the forceful manner in which his views are presented, are calculated to win support for any measure which the committee may frame.

He possesses the qualities of leadership essential to one who must guide the sentiment of the House toward a common purpose in what promises to be the greatest legislative contest in recent years.

Mr. FOWLER is a man of affairs, is in touch with the business interests of the whole country, and we know of no man in the House to whom the task of currency reform may be entrusted with greater prospects of success.

CURRENCY REFORM IN CONGRESS.

Every thorough student of currency reform must mave come to three conclusions which are essential to anything like complete reform.

First.—There must be an unequivocal standard. Every doubt must be eliminated with regard to the meaning of the word "coin," both in regard to our demand and interest-bearing obligations. Under our present laws the matter of what constitutes the standard is open to question. The present Executive construes the word "coin" in our obligations to mean gold coin. His free-silver antagonist announced that he would, if elected President, put the country on the silver basis with as little delay as possible. Congress has within a very few years declined to authorize the issue of bonds specifically payable in gold coin.

A matter of such great importance to the nation as the standard of value should be put in the form of a plain and unmistakable statute, and not left open to the interpretation of the Executive.

The prerogative of fixing a definite financial policy for the country belongs to Congress, and not to the President, and Congress should exercise its prerogative by settling the matter in the form of a statute, which could not be construed by one Executive to mean one thing and something quite different by another. Only the body which enacts a law should have the right to amend or repeal the law or to change its entire purpose.

Second.—The demand obligations of the Government should be retired if the commerce of the country is to be relieved from a danger that is always imminent so long as the gold reserve may be threatened and exhausted by the use of such demand obligations. Such notes have already cost the country many millions of dollars, by their depreciation from the time of their issue to the resumption of specie payments, by the panics they have engendered, and by repeated loans required to provide for their current redemption.

Third.—If the commerce of this country is to compete in the markets of the world with that of England, France and Germany, its mercantile credits must reach as low an interest rate. The manufacturers and business men of America, doing business upon a six per cent. basis, cannot hope to compete with the manufacturers of France upon a two per cent. basis, everything else being equal. Therefore we must have a system of currency that is always responsive to the demands of trade and always equal to its requirements. No currency issued by the Government can possess this essential. The rise and fall in the volume of Government currency is dependent upon the receipts and expenditures of the Treasury. It may pour out money when it is not needed, thus demoralizing business, or it may absorb and hold the funds in its vaults at a time when business is most active. Only a currency based upon commercial transactions can meet the requirements of commerce, a lesson learned by nearly every great nation except the United States.

The above reforms are indispensable to any permanent settlement of the currency question. By whatever method or plan they may be effected, no compromises can be accepted which involve a sacrifice of any of these essentials.

Upon these propositions—however much they may differ as to details—the friends of currency reform are of one mind. A matter now of the utmost importance is in regard to the proper time to get these reforms through Congress.

Such reforms we cannot hope to secure from the present Free Silver Senate, any more than you can expect a blacksmith to make a watch.

The battle of the gold standard and currency reform has been waged during the last two elections, and wherever the issue has been distinctly made reform has won. After the fourth of March the Republican party will be in power in the Senate, as well as in the House, and it has a President who has declared himself unequivocally in favor of reform and stated that words and promises would not do and that the judgment of the people should be enacted into law.

Should the present Congress attempt any legislation, even assuming that the House should pass a satisfactory bill, it would be robbed of its virtue and usefulness by the Senate and a conference report, and the result would be a sham reform, if reform at all. The result would be that the President would probably feel that he was excused by the fact that something had been done, or that he would not be justified in calling Congress in extra session to do what the preceding Congress had attempted and failed to do. Again, however slight the reform and inconsequential it might prove to the country, the approaching Presidential and Congressional elections of 1900 would preclude the possibility of again taking the matter up after Congress convened in the fall of 1899.

To every true currency reformer therefore the course is clear; that is, first, there should be no attempt whatever to pass any financial or currency legislation at the short session, because the effort must result in failure, besides exposing differences in the House Committee that have long existed; and second, the President should be urged by public opinion to call an extra session of Congress immediately upon the termination of the short session, for the sole and exclusive purpose of reforming our currency legislation, the same as he called an extra session to reform the Revenue Laws in the spring of 1897. This he could not refuse to do, considering the position of the Republican party and his own views already expressed, and because his failure to do so would result in the certain defeat of the Republican party at the Presidential election in 1900.

Twice has this question been submitted to the American people; twice has the verdict been rendered and judgment given, and all that remains to be done is for the Republican party to prepare a proper measure and have it enacted into law. Certainly no one will deny that the people have declared in favor of the gold standard; therefore the failure on the part of the Republican party to enter this judgment by putting the law upon the statute books of the country can only be excused on the ground of cowardice.

A MEMBER OF THE SENATE.

WASHINGTON, December 5.

FOREIGN BANKING AND FINANCE.

The World's Surplus of Gold.

The great production of gold of recent years—which reached $237,000,000 for 1897 and promises to reach $280,000,000 for 1898 and $300,000,000 for 1899—seems likely to afford an ample surplus for future demands. There is at present in Europe some pressure upon the reserves of the great banks, which has resulted in increased discount rates, but it is the pressure of transfers of capital, due to bad crops, rather than pressure upon the world's gold supply. The United States increased its holdings of gold coin from $628,000,000 on October 1, 1897, to $791,000,000 on October 1, 1898, and the great European banks carry a much larger supply of gold than was the rule ten or even five years ago.

Prof. Edmond Théry, in an article in "*L'Economiste Européen*" of October 14, declares that between December 31, 1883, and December 1, 1897, the gold reserve of all the European banks of issue increased by 5,189,700,000 francs, the silver reserve by 506,500,000 francs and the note circulation by only 3,035,507,000 francs. In the increase of the gold reserve, the Imperial Bank of Russia stands at the head with gold holdings of 3,095,400,000 francs in 1897 as compared with 699,900,000 francs in 1883. It has been for establishing the new monetary *régime* upon a firm basis that the Russian Government has procured the 2,395,500,000 francs which it has accumulated within fifteen years. After Russia comes France, with an increase in gold holdings of 1,031,800,000 francs; Austro-Hungary, 569,800,000 francs; Germany, 406,000,000 francs; England, 246,500,000 francs; Spain, 213,300,000 francs; and Italy with 174,200,000 francs. The silver increase is chiefly in France, and is due to the accumulation in the Bank of France of the five-franc pieces imported from Belgium and Italy. The ratio of gold to the entire circulation was fifty-seven per cent. at the close of 1897 and there was also a silver reserve of sixteen per cent., demonstrating, in the language of M. Théry, that "in all sound-money countries the bank note is in course of becoming a simple gold certificate redeemable on demand."

The following table shows the proportions of gold and silver held and the note circulation of all the European banks of circulation in representative years since 1882:

YEAR.	*Gold reserve.**	*Silver reserve.**	*Circulation.**	*Per cent. of gold to notes.*
1883	3,555.9	2,049.9	12,246.9	29
1888	4,576.1	2,517.0	12,757.8	36
1890	4,592.7	2,339.2	13,205.8	35
1892	6,207.1	2,495.1	14,805.5	42
1894	6,952.0	2,603.7	15,589.5	45
1896	7,859.9	2,512.7	14,536.6	54
1897	8,745.6	2,556.4	15,282.4	57

* In millions of francs.

These figures indicate a great change in the relation of gold to the monetary system of civilized countries within the past fifteen years. They afford strong confirmation of the argument that the fall in the price of manufactured goods has been due to improved methods of production rather than anything connected with the gold supply, since the gold supply has increased in an enormous ratio without arresting the fall of prices. A gold production of $280,000,000, which will unquestionably be reached in 1898, means much more than appears upon the surface when compared with a production of $99,116,000 upon the average for the five years ending with 1885, and $110,196,900 for the year 1888. The annual consumption of gold in the arts is estimated by the Mint Bureau at about $60,000,000 throughout the world. The amount has not greatly increased within a dozen years, but putting this consumption as low as $50,000,000 in 1885 and at $60,000,000 in 1898, it follows that the amount of gold left available for monetary uses would be $49,000,000 in 1885 and $220,000,000 in 1898. This is an increase of more than four-fold and represents about five per cent. of the whole volume of gold money in the world. The annual production of silver in the period ending with 1885 had a coining value of $118,955,000 and the amount used in the arts was nearly the same as the amount of gold. It thus appears that the amount of gold alone now available for monetary uses is about twice the combined amount of gold and silver available for such uses as late as 1885. The gold supply of the world has attained a magnitude which must put an end to "the tugging at the blanket" by the gold standard countries, and which would apparently afford an ample surplus of gold for the creation of a gold standard in British India or other undeveloped countries.

The Banking Power of Great Britain.

The strength of the British banking system is brought out in a striking manner by the semi-annual statistics published by the London "Economist" of October 22. The tendency towards banking consolidation within the past ten years is indicated by the decline in the number of joint-stock banks in England and Wales from 110 in 1888 to ninety at the present time, while the deposits, including those of the Bank of England, have increased from £335,959,000 to £596,794,000. The number of Scotch and Irish banks has not changed materially during the ten years and their deposits have not increased in so large a proportion. The deposits of the Scotch banks grew from £82,428,000 in 1888 to £96,617,000 in 1898, while those of the Irish banks grew from £34,255,000 to £46,083,000. The total deposits in the United Kingdom, including a small allowance for private banks which do not publish reports, have grown from £600,000,000 in July, 1888, to £810,000,000 in July, 1898. Of the joint-stock banks the total paid-up capital now amounts to £76,927,000, which compares with a total of £76,490,000 at the corresponding date last year. There is thus shown an increase of £437,000, of which £417,000 is in the capital of the English banks. This latter increase, however, is more than accounted for by the fact that in the interval the existing joint-stock banks have absorbed private undertakings with capital and reserves amounting in the aggregate to between £500,000 and £600,000. The monopoly of the Scotch banks has been broken into in a small way by the creation of a new undertaking, the Mercantile Bank of Scotland, with a paid-up capital of £8,700, and it is further threatened by the formation of another and much more largely capitalized bank which, while located in England, is intended to include both Scotland and Ireland in the sphere of its operations.

The cash on hand and money at call was £88,025,000 for the banks of England and Wales in 1888, and has grown to £170,082,000 in 1898. A considerable portion of this cash is on deposit at the Bank of England or with other banks, and does not consist absolutely in gold or currency. The figures for 1898 include £38,535,000 at the Bank of England in the form of deposits by the joint-stock banks, and £24,695,000 in notes held in the Bank of England reserve. The Scotch banks held in 1898 £22,448,000 in cash on hand and at call, and the Irish banks £8,571,000.

One of the striking features of the exhibit made by the "Economist" is the power of the twenty-nine colonial joint-stock banks with London offices and the twenty-three foreign joint-stock companies with London offices. It is through these institutions, in a large measure, that Great Britain controls the banking and exchange business of the world. The paid-up capital of the colonial banks is £36,228,539 and their reserves are £8,082,351. The same items in the case of the foreign banks are £25,193,620 and £8,101,584. Among the foreign joint-stock banks with London offices are the Bank of Egypt, the Imperial Bank of Persia, the Imperial Ottoman Bank, the Ionian Bank, the Hong-Kong and Shanghai Banking Corporation, the London Bank of Mexico and South America, the Yokohama Specie Bank, and the *Deutsche* Bank. The latter institution, with a capital of £7,500,000 and a reserve of £2,213,369, should not be treated as a British institution, but all the other banks named are either operated directly from London or their capital is largely owned there. Under the latter head come several of the Australian banks and the Bank of British North America. The combined capital and reserves of both classes of banks, with the *Deutsche* Bank excluded, are about £69,000,000, and their deposits are about £210,000,000. The discounts and advances are nearly £240,000,000, and the cash on hand and at call is more than £70,000,000.

The Imperial Bank of Germany.

The Imperial Bank of Germany was compelled on October 10 to raise its discount rate from four to five per cent. and its rate for advances upon securities to six per cent. The reason, as stated elsewhere, was the general stringency in circulating capital in the continental markets. There are some peculiar circumstances connected with the action of the German Bank, however, which are likely to affect the discussion regarding the renewal of the charter. The accounts of the Bank have shown that even the provision of law intended to permit elasticity in the circulation, by issues beyond the authorized limit under a tax of five per cent., has not prevented severe pressure. The issues free of tax which are permitted to the Bank amount to 293,400,000 marks ($73,000,000), in addition to issues against full deposits of gold or gold obligations. The total issue of notes subject to the five per cent. tax had risen on September 30 to 276,000,000 marks, exceeding by 70,000,000 marks the excess on the same date in 1897. The gold held was 502,000,000 marks against a total circulation of 1,293,658,000 marks ($320,000,000), or about thirty-eight per cent. Considerable anxiety was aroused by these conditions on the Berlin bourse, but was restrained by the fact that the demand for accommodation was due to legitimate necessities of producers and merchants rather than to speculation. The Berlin correspondent of "*L'Economiste Européen*," in the issue of October 11, says:

"This situation may lead to serious modifications in the statutes of the Imperial Bank when the project of law extending the privilege of the Bank for ten years comes under discussion. This discussion will occur at the next session. Numerous orators, belonging especially to the agrarian party, will take part in the debate, and the statutes of the Bank will probably come out of it entirely recast. It is to be noted that the scarcity of cash, which has weighed heavily upon the quotations of national securities, as I pointed out in my preceding letter, has not affected industrial and mining securities. The prosperous situation of the iron and other manufacturing industries constantly attracts toward these securities the capital of the public, who show a decided devotion to their dividends. It is worth noting that in the Prussian Savings banks, in 1897, the excess of deposits over withdrawals fell 47,000,000 marks in comparison with the figures for 1896. All this money has been devoted to industrial enterprises by means of industrial stocks, while the market for State funds has failed to profit by it."

A Municipal Bank in Scotland.

The growth of the sentiment in favor of government control of important enterprises is indicated by the decision of a sub-committee of the Glasgow Corporation Finance Committe to recommend the Council to seek Parliamentary powers to issue notes, payable in gold on demand, to an amount not exceeding £500,000, and to engage in the business of borrowing and lending money. The effect of the new project upon banking in Scotland, and the wisdom of municipal banking are thus discussed in the London "Economist" of October 22:

"The suggested advent of a corporation into the banking world will, however, raise some objections. First, with regard to the note issue: £500,000 appears a small sum, though that would probably only serve to open the case. But if one corporation had the concession granted to it, why not others? and if public bodies, why not private companies? The latter, in many instances, have a much more secure basis of credit than the former, and could not in justice be denied the privilege extended to the others. In short, it would open the question of free, unrestricted issue, on the plausible pretext that time would soon prove where credit was misplaced. Theoretically, this may be so, but practically, the nation cannot afford to risk such procedure. We have the indiscreet and over-confident, the ambitious and extravagant, not to speak of the needy and impecunious, always with us, and whether these be corporations, companies, or private individuals, we should hesitate before we tamper with legislation, which may have had its drawbacks, but has had the result of focussing into powerful, responsible, and professionally trained institutions the most delicate instrument in our banking system.

It is proposed that gold or negotiable securities shall be held for more than half of the issue current, and that the remainder be secured by the surplus assets of the corporation. This brings us to the second point—the scheme for a borrowing department, with current accounts and deposit receipts. It is not that there is any inherent difficulty in the carrying on of a municipal bank. Trained officers could be readily got, and in a commercial city like Glasgow, the directors, if properly chosen, could be a most excellent body. But the danger would lie in the want of a tradition, and in the temptation to lock up the resources in undertakings that would never have been begun had the present system of things been continued. It would be felt that the moneys were under the control of the corporation, and if funds were needed, as they would assuredly be, for urgent necessities, application would be too easily made to the bank. In the end, the funds might be returned, but there would always be the risk of the assets not being readily convertible, though being devoted to municipal purposes. And everyone knows what failure to pay on demand means to a banker. It means to him what it does to no one else. The history of municipal banking has been a checkered one, and whilst we can imagine such a bank being conducted to the profit of the community, we may assume that if the power of issue is withheld, the proposal will prove abortive in the present case."

The Discount Rate in Europe.

Several of the large continental banks have followed the course predicted in the last number of the BANKERS' MAGAZINE in raising their discount rates to correspond with the four per cent. rate adopted by the Bank of England on October 13, and the three per cent. rate adopted at the Bank of France on October 20. Most of these banks followed the Bank of England, without waiting for the action of the Bank of France. The Imperial Bank of Russia advanced its rate from four and a half to five and a half per cent. and the Austro-Hungarian Bank advanced its rate from four to four and a half per cent. There was considerable reluctance to advance the rate at the Austro-Hungarian Bank and the change was limited to half of one per cent. out of deference to those who opposed any advance. The last time that the rate went beyond four per cent. was on September 13, 1895, when it was put at five per cent. There was a reduction of half of one per cent on January 24, 1896, and a reduction to four per cent. on February 14. The recent rate of four per cent. was fixed on February 14, 1898. The excess of circulation of the bank subject to tax stood on October 13, 1898, at 11,800,000 florins, with holdings of commercial paper amounting to 216,600,000 florins and advances on securities for 30,700,000 florins. Discounts have been increasing in anticipation that delay will be followed by a further advance. The private rate stands at four and a quarter per cent. The action of the Bank of France, in raising its rate after three and a half years from two to three per cent., was due to the fact that paper upon London had risen above the gold point and that the gold reserve within a year had lost 113,438,887 francs ($22,000,000). This loss is really only a small proportion of the balance of trade created against France by recent events. It is estimated that the bad crops of 1897 led to the importation of 30,000,000 hectolitres of grain, representing a gold loss of more than 500,000,000 francs. French investors have absorbed during the same period more than 500,000,000 francs in Russian and foreign securities, but neither of these events have drawn heavily upon the gold reserve of the bank or the actual circulation.

The Swiss banks decided on October 25 to advance their discount rate to five per cent. A previous advance from four to four and a half per cent. was made on October 15, but the necessity for a higher rate was governed by the same conditions which prevailed in France.

The New Bank of Switzerland.

The special committee of experts named by the Swiss Federal Council to frame a banking project completed their labors on October 7, and have submitted a bill to the Council for the creation of a central bank of issue. The rejection by the popular vote in February, 1897, of the proposition for a bank owned exclusively by the State led to the modification of that project in the plan which has been prepared. The new project proposes that a capital of 60,000,000 francs shall be paid up to the amount of one-half before the opening of the Bank and guaranty bonds given for the remainder. A third of this capital will be taken by the Confederation, a third by the cantons and cantonal banks, and a third will be offered at public subscription. Portions not taken by other subscribers will be taken by the Confederation. The subscription bonds on behalf of the Confederation and the cantons and the cantonal banks will be for 10,000 francs; those of individuals will be for 1,000 francs. The corporation will be limited and shareholders will be responsible only for the amount of their stock.

It is not proposed to adopt a fixed limit for the circulation, but a metallic reserve will be required of forty per cent. The security above this amount will consist of short-term paper, as proposed by the Union of Commerce and Industry. The notes will be in denominations of 50, 100, 500 and 1,000 francs ($10 to $200), but the Federal Assembly is authorized to permit the temporary issue of smaller notes. Of the annual profits, fifteen per cent. is to go to the reserve fund, four per cent. will be paid upon the capital, and the remainder will be distribted among the cantons. The Bank will be governed by a council of seventy-five members, one-third each named by the Confederation, the cantons, and the private shareholders. The committee of experts refused to consider the question of the location of the Bank upon the ground that it was not of a technical nature and should properly be left to the Federal Assembly.

The Currency Situation in India.

The condition of the Indian currency continues to be unsatisfactory, and some of the Indian bankers are urging that the Government pursue a more liberal policy in loaning the public deposits.

The currency system in India is similar to that of the United States in the respect that the currency notes are issued by the Government upon the deposits of silver instead of issued by the banks. The Government also adheres substantially to our sub-Treasury system, which keeps the funds in its own custody.

Money rates have been very high in India recently because of the gradual withdrawal of capital caused by the fluctuations in exchange.

The London "Economist" of October 22, in discussing the proposition to deposit the Government balances in the banks, says:

"And this brings us to the question of the way in which the Government balances are dealt with. It is quite true that these tend to be small in the dull and big in the busy season, and that it would be much better if the opposite was the case. But then the bulk of the revenue is gathered in during the busy season. The general revenue naturally expands then, and very rightfully it is arranged that the land revenue shall be collected at the time when the cultivators have their crops to dispose of, and are best able to meet the demands of the Government. It is difficult to see how that state of things can be altered, and as it is, the Government does seek to equalize matters somewhat, by arranging, so far as possible, that its sales of Council bills shall be larger in the busy than in the dull season. That action can, of course, be supplemented by increasing the Government deposits with the Presidency banks; but one would like to know better on what terms it is suggested that this should be done. For the Government to give the banks a considerable amount of money without interest, or at a low rate which they could lend out at twelve or thirteen per cent. or more, would no doubt be a very good thing for the banks but would it be a reasonable arrangement? In our view the Presidency banks habitually lean far too much upon the Government, and to encourage them to do so still more would hardly be prudent. On the other hand, if, as has also been suggested, the Government were to permanently increase its balances and employ them in times of stringency at high rates, it would lay itself open to the charge of taking more than was necessary from the pockets of the taxpayers in order that it might make a usurious rate of profit by lending out the money thus obtained. It is essential if, as we believe will be the case, it is decided that the Government shall continue its efforts to establish a gold standard pretty much on the lines that have hitherto been followed, that something should be done to mitigate the pressure that always arises in the busy season, and always will arise more or less, because the fluctuations in the volume of trade are very great relative to the supply of capital."

A writer from Calcutta discussed in the London "Bankers' Magazine" for November the current argument that silver is a more suitable metal than gold for actual use in India because the gold coin of fifteen rupees for a sovereign is of too high value to serve for the ordinary payments of the Indian population. He declares that this argument is irrational, because among the masses even rupees are seldom used, the majority of transactions being conducted in copper and small silver coins. He quotes the "Capital," the leading financial paper of India, as follows :

"If it were desirable to have a unit of value which would measure all minor transactions on a metallic basis, it would be necessary to reduce the value of the unit to eight annas, or perhaps four annas. But obviously the expense of coinage and the loss by wear would be enormously increased, and the smaller coin would be a great inconvenience to wholesale and retail merchants conducting business on a larger scale. There can be little doubt, we think, that those who use rupees, even to a small extent, in their daily transactions would gladly turn fifteen coins into one if they had the option ; and when we consider the large sums transmitted from one part of the country to another in bags of rupees, the greater convenience of gold coins which can be carried in smaller compass cannot be questioned. We do not understand how petty traders would be in any way inconvenienced. Those who use only subsidiary coins would continue to use them, and those who could afford to use the standard coins would prefer to have them in a portable form."

The correspondent of the "Bankers' Magazine" has something to say also regarding the effect of hoarding in absorbing a gold currency, in case one were adopted in India. He says upon this head :

"The idea that the combined efforts of the natives of India would, on the establishment of a gold currency, be directed to drawing gold from England to such an extent as to seriously incommode the London money market is, we believe, a mere bogey. What gold they can afford to buy they buy now. During the last twelve months or so they have bought more than usual, partly, at least, owing to lack of confidence in other investments. Their power to increase their hoards must depend on what they have to offer in exchange. No one will make them a free gift of gold, nor is there such a thing as automatic accumulations such as the Government of India would fain believe. Such funds as they have already are probably invested in full. It is at least doubtful whether rupees are now held largely in hoards. It is our opinion that the stores held in various hands are nowhere greatly in excess of surrounding requirements, and that even if the greater part of these was exchanged for gold, it would be a gradual and not an instantaneous process. In any case there is no taking gold from London unless value is given in return, and we may be tolerably certain that in such an important transaction as an exchange of gold London is not likely to be a loser."

The British Postal Banks.

Deposits continue to pile up in the British postal Savings banks, and complaint is still made by the bankers that the Savings banks are used by persons of considerable means instead of being limited to the laboring classes, for whom their benefits were intended. The bankers might be compelled to suffer in silence but for the fact that the present method of conducting the Government banks results in a deficit, which amounted for 1897 to £9,231. The reason for this is the high rate of interest paid to depositors and the inability to purchase consols at a price which will pay a return equal to the interest paid to depositors.

The amount due depositors on December 31, 1896, was £108,098,641. There were 13,012,935 deposits during 1897 amounting to £35,757,476 and 4,670,483 withdrawals amounting to £30,624,995. The excess of deposits, £5,132,481, and the interest credited to depositors, £2,665,664, carried the total balances of deposits on December 31, 1897, to £115,896,786. The new accounts opened during 1897 were 1,269,995 and the number closed 892,269, leaving the whole number of accounts at the close of the year 7,239,761.

"These figures mean," according to the London "Bankers' Magazine" for November, "that in England and Wales more than one person in five is a depositor in the post office Savings bank."

The character of some of the deposits is shown by a table furnished by the Postmaster-General, showing that the number of persons depositing in a single sum £50—the entire amount allowed to be deposited in each year—was 35,850 in 1894, 48,500 in 1895, 54,700 in 1896 and 53,500 in 1897.

The money order transmissions continue to increase, the greatest increase being in telegraphic orders. The average amount remitted by telegraphic money order increased from £3 5s. 10d. to £3 7s. 11d., and the total amount thus transmitted was nearly £700,000.

The postal Savings banks are beginning to absorb the trustee Savings banks, which formerly conducted the Savings business for the laboring classes. The closing of trustee banks has recently transferred 292,564 accounts to the postal savings system, representing £8,148,812 in money and £238,175 in Government stock. In these banks, which still do business, there are also many persons who deposit in single sums the entire amount allowed during a year. The number of such persons for the year ending November 20, 1897, was 21,392. The trustee Savings banks, in spite of transfers to the postal system, still carried balances to the credit of depositors on November 20, 1897, amounting to £14,250,875 in money and £282,122 in Government stock, on 491,784 accounts.

The Note Circulation in Hongkong.

The rapid extension of trade in China has led the Hongkong and Shanghai Banking Corporation to obtain a modification of the authority granted in 1882 for the issue of circulating notes. Ordinance No. 21 of 1882 authorized the issue of notes by the bank to the extent of its paid-up capital, about $10,000,000, against which first-class securities were required to be deposited with the Bank of England in the name of the Crown Agents for the Colonies for one-third of the issue. Another ordinance required a third of the issue to be kept in bullion at the places where the notes were issued. The extension of the circulation which has now been authorized has to be covered fully by coin and bullion, but this is not a hardship in view of the large cash reserve which the bank holds against its general liabilities. The chairman of the half-yearly meeting held in Hongkong on August 13 last, Hon. J. J. Bell-Irving, explained thus the reasons for going beyond the old limit of issue:

"Up to recently, with occasional exceptions, this limit has hitherto been sufficient for the ordinary requirements of the public in Hongkong and the Straits Settlements, but from January of this year the limit of ten millions has proved insufficient, and very reluctantly we had to exceed our limits from January to May. To get the circulation within prescribed limits by June 30, caused very serious inconvenience to trade in this colony and its surrounding centres. On the gravity of the matter being placed before the Government of this colony, with the sanction of the Secretary of State for the Colonies, an ordinance was passed on July 28, 1898, amending ordinance twenty-one of 1882 as follows: 'Bills and notes of the company payable to bearer on demand may be issued and be in actual circulation to an amount in excess of the capital of the company actually paid up; provided that there shall be previously kept at the head office of the company in Hongkong to the satisfaction of the Colonial Secretary and Colonial Treasurer an amount of coin and bullion to the whole value of such excess issue actually in circulation.' "

New Gold Notes in Russia.

A new issue of notes by the Imperial Bank of Russia, in lieu of the old issues, was announced in a ukase of the Emperor of June 4, 1898. The exchange of the new notes for the old issues, based upon a model of 1866, will proceed gradually at the branches of the Imperial Bank and the offices of the Treasury. The principal branches of the Imperial Bank, according to an ordinance of October 7, were to be opened for the exchange on December 1, but the other branches of the Bank and Treasury offices were to make the exchange only as they received the new notes. The exchange is to be completed by December 31, 1900. The new notes issued are all to be of the denomination of 100 rubles ($52).

This decision is significant of the determination of the Government to put gold coin in circulation for all small amounts, and negatives an earlier rumor that notes for 50 rubles ($26) were to be issued. The policy of the Government and the Imperial Bank, in establishing a metallic circulation upon the basis of two-thirds of the old nominal value of the ruble as the new gold unit, receives final sanction by the ukase of June 4 and the ordinances which have followed. The old note bore language not entirely in conformity with the new conditions. The new notes will declare that the Imperial Bank exchanges notes for gold money without limit.

BANKING AND FINANCIAL NOTES.

—An important finance company, the *Compagnie Nationale Financière*, has been constituted in Belgium with a capital of 2,200,000 francs, having the heads of a number of important business enterprises among its directors. The institution proposes a wide scope for its business, including current accounts, operations on the bourse and loans, in addition to the promotion of commercial, industrial and financial societies, by means of subscriptions, consolidations, purchase and sale of stock and other operations similar to those proposed by the *Banque Speciale des Valeurs Industrielles*, of Paris, which was referred to in the BANKERS' MAGAZINE for October.

—Another important bank consolidation has been announced in London, the London and Northern Bank, Limited, having absorbed the Leeds Joint Stock Bank, Limited. The shareholders of the latter institution have unanimously agreed to the resolution which provides that their £75,000 of paid-up capital be exchanged for cash or new shares on the basis of £9 10s. for every £5 paid up. The Leeds Bank has been in existence only seven years, but has built up a large business. The London and Northern Bank is also a new institution and is rapidly absorbing some of the smaller banks. C. A. C.

MODERN BANKING METHODS.

A NEW SERIES ON PRACTICAL BANKING—HELPFUL POINTS DERIVED FROM EXPERIENCE.

ORGANIZING A NATIONAL BANK.

The chief officers of the new bank having been selected, as we have seen in the former chapters, the next question that presented itself was the selection of the necessary working force.

Innumerable applications had poured in from all directions for the various positions of clerk, messenger, bookkeeper, teller, etc., all giving references, and some detailing their former experience in the banking business, but it was noted that the larger proportion had had no such experience. Many names of young men were presented by stockholders and directors, and the new Cashier, into whose hands all the applications were placed, was thereby put in an unfortunate position, for between his desire to do justice to the bank and to retain his pleasant relations with others, he was between two fires that interfered seriously with his independent choice.

How often this is done, and yet it is extremely unjust to the Cashier to place him in such a position. Since the Cashier is the man under whose direction the clerical work is performed, he should be permitted to choose his working force and should not be interfered with except for some good reason.

It has frequently occured that an inefficient clerk has been placed in a bank by some influential stockholder or director, and has simply been a dead weight, others being obliged to revise and correct his work, thus forcing double care upon them, and this condition interferes with the efficiency of the whole force, for it often creates an unpleasant feeling. To have a well-managed bank the working force must pull together harmoniously, each performing his full share.

There is a great difference in the interest shown by employees; some, while performing their duties carefully, do it in a merely perfunctory way; others seem to take a personal interest and to work for the general good of the bank. While the former may be good clerks, yet they are what is termed merely mechanical men, and the latter type will always be found the most satisfactory.

Petty jealousy will sometimes enter the ranks of the working force and interfere with its efficiency, but it will often be found that there is some just cause. As a rule the element of justice is strong among the clerks, and while promotions for efficiency are treated in the happiest manner by all, yet when made merely from personal influence they invariably produce bad results. Many a first-class efficient clerk has become thoroughly discouraged after a long term of faithful service at finding himself superseded by some comparatively new comer simply upon the question of personal influence.

In no business should the civil service rules be more strictly adhered to than in a bank, the question of personal influence having little weight.

It is wonderful how much the efficiency of the force may be affected by the treatment received from the officers. In some banks, I am sorry to say, the clerks are treated more like menials of a low order than like *men*, the aim seeming to be to grind as much work out of them for as little pay as possible, the responsibility attending their positions not being considered.

How often I have seen bank officers attempt to shirk the responsibility for criminal acts by making a tool of an unsuspecting clerk. Such men are beneath contempt. *It pays* to treat the clerks well and will surely injure the bank to do otherwise. Let me give one example that came to my personal attention.

A bank that had had an unusually successful career, and had paid large dividends, was, during a financial depression, unable to continue the same sized dividends. The board of directors proposed to reduce the salaries of the employees. The President, however, denounced such action, and declared he would leave the bank if the resolution passed, and said they could reduce his salary but should not touch that of the employees. His salary was reduced. It is hardly necessary to say that there was no duty too arduous for those employees after that, while that President remained with the bank.

My advice to all bank employees is to study well Sections 5208 and 5209 of the United Stated Revised Statutes, and never allow themselves to be either led or driven into acting contrary to their provisions, and *never* to sacrifice principle.

The banking business, like any other, is affected by the general business conditions, consequently there are dull days, and busy days or seasons. Recognizing this, all well-managed banks carry along a staff strong enough to perform the work promptly and well during the busy season. In most of the large cities, however, it is customary to employ between June 1 and October 1 extra men to fill temporary vacancies caused by the clerks taking their vacations.

The best position in which a young man can begin in a bank is that of general assistant, in which he helps wherever needed about the bank, and has the opportunity of learning the relations of the various departments and familiarizing himself generally with the work.

In a new bank, such as the one just starting, of course the majority of the force must be experienced men.

The first employee to mention is the Assistant Cashier. Not all banks find it necessary to fill this position. In our large cities, where the duties of the Cashier's desk are very heavy, he is a necessity ; in fact many large banks have more than one. Except in these special cases the position is generally filled by the paying teller or general bookkeeper. The duties are simply to act as an assistant to the Cashier in such ways as he or the board of directors may direct, and performing the official duties of the Cashier during his absence. Of course to be able to do this he must be a man of high character and with more than ordinary experience in banking, and should be endowed with that tact which is so necessary in dealing with others. Many bank clerks, while capable of handling figures successfully, are unable to attend to correspondence, lacking the ability to frame a good letter. As attending to part of the correspondence is often one of the duties of an Assistant Cashier, the ability to do this satisfactorily must be apparent.

The next employee to be considered is the paying teller, one of the most important in the bank. Realizing this fact, the officers and directors of our new bank used extraordinary care in the selection of a proper man, feeling that this position required a man of high abilities, in fact one well-nigh an expert in banking matters.

The paying teller should be a man of the most sterling character, strong, skillful, and irreproachable. He should also be endowed with excellent judgment, quick perception, good address, patience, and unwavering good nature. He should have earned his position through years of faithful service in the various departments of a bank, for to be a first-class paying teller requires long apprenticeship in banking, and no bank wants a *second*-class one.

The paying teller is the disbursing officer of the bank, he actually handles the cash and should therefore be adept in the rapid counting of both bills and coin. He should be an exceedingly careful man in the paying out of money; many a serious loss has occurred by not following this rule.

In a bank where I was employed when a young man, the paying teller one day paid out ten one thousand dollar bills in place of ten one hundred dollar bills; of course we were nine thousand dollars short that night, and worked hard to find it, but fortunately the money got into honest hands and was returned the next day.

The paying teller should be sure he is paying money to the presenter of the check; a little carelessness here has often been the cause of loss, for there are plenty of sharpers in our cities always on the watch to take advantage of every little oversight.

The question of identification is one with which the paying teller has to deal, and is often a troublesome question both to the bank and to the stranger who presents the check, yet it is a rule founded upon caution and justice. A depositor has the right to draw his checks upon the bank to "order" or to "bearer," and the bank should respect that right and endeavor in every way to protect the interests of the depositor. Therefore when a stranger presents a check to the paying teller of a bank, that is drawn to the order of a party unknown to the bank, it is right that the teller receive satisfactory evidence that the party presenting and endorsing the check is the one mentioned in the body of the check before paying it.

Checks often come to a bank through the mail without endorsement or improperly endorsed; these the paying teller examines and returns them to the Cashier to be returned to the parties for proper endorsement. The checks coming from other banks or through the clearing-house each day must be examined by the paying teller, or by an assistant, to learn if there are sufficient funds to the credit of the drawers with which to pay the checks and if the signatures and endorsements are correct. If not they should be immediately returned to the banks from which they came, with the cause noted.

The paying teller should keep himself posted as to the condition of depositors' accounts, and if in doubt, before paying a check he should enquire of the individual ledger bookkeeper, and if necessary of the receiving teller or the Cashier, for instances often occur where a check is presented that would overdraw the account as shown by the individual ledger, but the depositor had made a deposit or obtained a loan which had not yet gone through the books and it would therefore be an injustice to refuse his check.

The paying teller should make himself so familiar with the signatures of the bank's customers as to be able to detect readily any irregularity or forgery, and when anything of the kind is suspected the drawer of the check should be at once communicated with before paying the check.

Many banks have a rule obliging all checks whether payable to "order" or to "bearer" to be endorsed. This is a safe rule and often of great assistance to the bank, although I doubt if they could legally enforce it as regards checks payable to bearer.

In some of our large cities some banks refuse to pay checks of their customers presented at the paying teller's window by parties other than the customers, although known to the officers of the bank.

This is an unjust rule and often creates much unnecessary trouble.

While a bank has the right to take all reasonable measures to protect itself and its customers, yet it has no right to go beyond the point of reason and justice.

The paying teller is obliged to keep certain books or records, sometimes written up by his assistants; these are generally the balance book, or settlement book as sometimes called, a check scratcher upon which are entered the amounts of all checks, individual or otherwise, under their proper heads, that have been paid during the day, and in clearing-house cities he generally takes charge of the due bill book. A full description of these books, with diagrams, will be given in another chapter.

All checks which are paid through the paying teller's desk should be stamped "paid," with the date of payment.

The date is often of very material consequence and will frequently save much trouble if used. The following is a good form for such a stamp:

MERCHANTS' NATIONAL BANK, Centre City. PAID December 18, 1898.

The paying teller should keep his active money (bills) so separated in his money drawer, by denominations, that they can be readily handled when needed, and his small coin should be kept part in trays and part in rolls to be easily available. The value of the rolls is generally 25c. in pennies, $1 in nickels, $5 in dimes, $5 in quarters, and $10 in halves.

It is a good plan for him to endeavor to have nice, clean money, and new silver and pennies, to pay over the counter; it always pleases the customers, and thereby benefits the bank.

When breaking packages of bills from other banks, torn or mutilated bills will often be found; these should always be laid to one side and put in a package by themselves, and when $1,000 or more (in multiples of $1,000) have accumulated, they should be sent to the Treasurer of the United States, or presented to a Sub-Treasury, for redemption.

In the smaller towns one teller generally performs the duties of both payer and receiver, but in larger towns separate tellers will be found necessary, and in some of our large cities three tellers, and sometimes four, are needed to take charge of the voluminous business.

Our new bank was, however, able to get along with two tellers, the payer and the receiver, and in selecting these every effort was made to obtain honest and efficient men.

BANK EXAMINER.

(To be continued.)

INDORSEMENTS ON CHECKS.

A bank officer sends the following:

"It has lately been my duty to examine the indorsements on about one-half the checks that come through this bank. The carelessness with which so many of the indorsements are made prompts me to call attention through the medium of your practical banking department to this important subject. The carelessness, I regret to say, is chiefly on the part of bank clerks who know better but just will not take the pains to do their work carefully and neatly. As a matter of course the several indorsements should follow each other in regular order. As a matter of fact they are scattered over the back of the check from one end of it to the other. The indorsement of the drawee of the check is at times almost obliterated, and the stamped indorsements are piled on top of each other in hopeless confusion. Sometimes, it is true, the cause of the trouble comes from the fact that the drawee has indorsed on the back at about the centre and there is not room enough for all the subsequent indorsements. It would be an excellent rule if the drawee would indorse on the back at the left hand extreme end and subsequent indorsers follow carefully in regular order. The 'All previous indorsements guaranteed' is a favorite phrase, but the force of it is often broken by the difficulty of telling which of the indorsements are previous and which are not."

CHECKS THAT ARE NOT GOOD.

In returning checks that are not good care should be taken both in giving the correct reason and also in the manner of expressing the reason. The following form is not unfrequently met with: "According to the books of this bank there are not sufficient funds to pay this check." The evident intention here is to avoid liability in case there is an error in the books. But the effort would be futile, for the bank would be bound by its act in returning the check and could hardly shelter itself by a mere form of its words from the consequences of its own deliberate act. "Not sufficient funds" is a favorite form and a good one as well. Perhaps the best way out of the difficulty would be to use the form, "Payment refused" without assigning any reason. Whatever form may be used it should be printed on a slip and pinned to the check. On no account should any mark be made on the check itself.

PRINTED FORMS FOR BANKS.

The greatest care should be exercised in making np the printed forms for use in in a bank, especially in regard to those that are to be sent out to the public. A good plan is to have a specimen of every printed form neatly pasted in a book. This book should be reviewed from time to time by the Cashier, and occasionally submitted to the counsel of the bank in order that every form may be kept up to the latest decisions. Banks are so often called upon to appear in court, "to sue and be sued," as the expression is, that it is very important to have the routine work done in a way that is legally unassailable.

THE COMPTROLLER'S REPORT.—The complete text of the Annual Report of the Comptroller of the Currency, together with the more important statistical tables, will be found in this number of the MAGAZINE. It will certainly be read with much interest by bankers and others interested in the monetary affairs of the country.

That part of the Report which deals with bank currency will no doubt cause considerable discussion. Comment on the Report is necessarily deferred until the January number of the MAGAZINE.

INTEREST ON DEPOSITS.—"The National banks of America have no branches, and they allow no interest."—London Bankers' Magazine.

Unfortunately, the National banks of America have not quite reached the Utopian condition described in the latter clause of the above quotation. While generally condemning the practice as opposed to principles of sound banking, most of the National banks in the reserve cities allow interest on bank balances, and very many of the National banks also allow interest on ordinary commercial deposits. Competition compels them to do this or lose a large share of their business.

But there is a growing tendency to dicontinue this practice. Quite recently a majority of the banks of Norfolk, Va., decided to pay no more interest on deposits after January 1, and in view of the abundance of money the movement is likely to become general.

The low rates at which the banks must loan their funds make it difficult for any bank to be conducted with profit if it pays interest on its deposits.

order. . . . The "All previous indorsements guaranteed" is a favorite phrase [illegible] forced [illegible] the difficulty of telling which of the [illegible] previous [illegible] not."

CHECKS THAT ARE NOT GOOD.

In [illegible] in checks that are not good care should be taken both in [illegible] the correct reason and also in the manner of [illegible]. The following form is not infrequently met with: "According to the books of this bank there is not sufficient funds to pay this check." The evident intention here is to avoid [illegible] in case there was an error in the books. But the effort would be futile, for the bank would be bound by its act in refusing the check and could hardly shelter itself [illegible] a mere form of its words from the consequences of its own deliberate act. "Not sufficient funds" is a favorite form and a good one as well. Perhaps the best way out of the difficulty would be to use the form "Payment refused" with the [illegible] reason. Whatever form may be used it should be pasted or [illegible] on the check. On no account should any mark be made on the check [illegible]

PRINTED FORMS FOR BANKS.

The greatest care should be exercised in making up the printed forms for use in a bank, especially in regard to those that are to be sent out to the public. A good plan [illegible] a specimen of every printed form neatly pasted in a book. This book should be reviewed from time to time by the Cashier, and [illegible] submitted to the counsel of the bank in order that every form may be kept up to [illegible]. Banks are so often called upon to appear in court, [illegible] as the expression is, that it is very important to have their forms worded in a way that is legally unassailable.

THE COMPTROLLER'S REPORT.—The complete text of the Annual Report of the Comptroller of the Currency, together with the more important statistical tables, will be found in this number of the MAGAZINE. It will certainly be read with much interest by bankers and others interested in the monetary affairs of the country.

That part of the Report which deals with bank currency will no doubt cause considerable discussion. Comment on the Report is necessarily deferred until the January number of the MAGAZINE.

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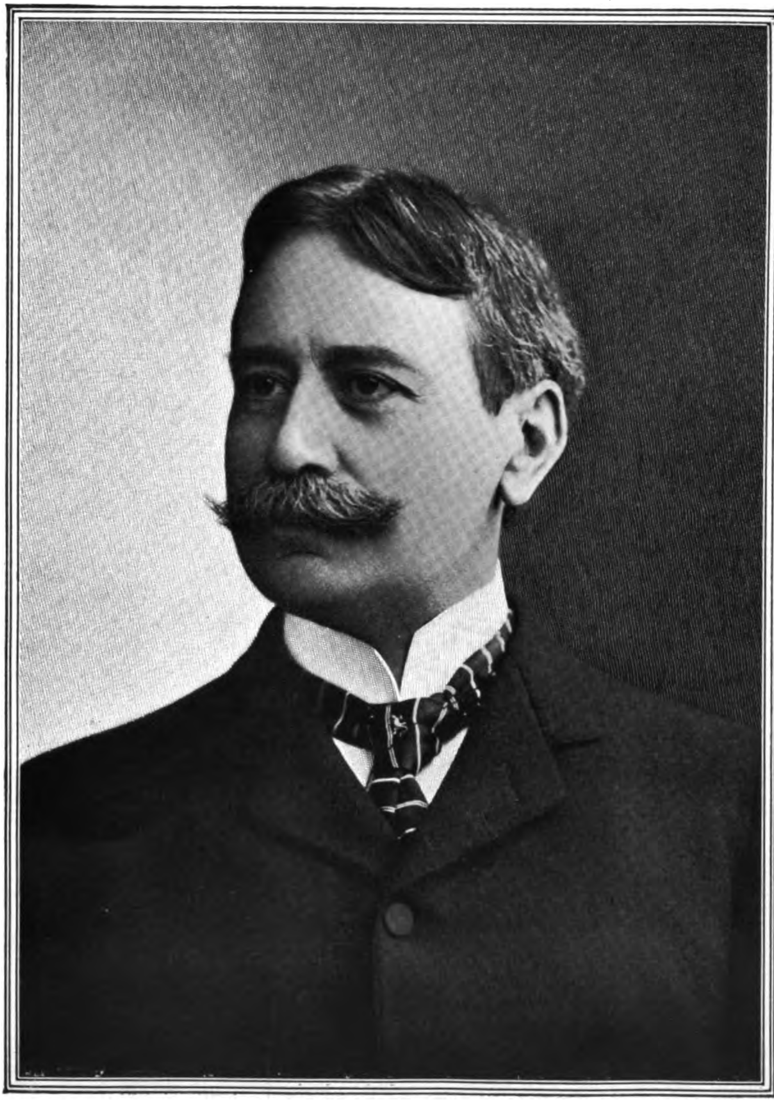


W. T. FENTON.

William Taylor Fenton was born near Madison, Indiana, and his early life was spent on a farm. After leaving school he took a course in bookkeeping at the Madison Business College. He began his banking career about twenty-five years ago in the bank of Fletcher & Sharpe at Indianapolis, then the largest financial house in Indiana. He served this firm for about ten years, when he removed to Chicago to take a position in the Merchants' National Bank. While fulfilling the duties of this position he was offiered the Cashiership of the First National Bank of Ottumwa, Iowa, where he remained for about five years, resigning his position to become interested with other capitalists in organizing the National Bank of the Republic at Chicago, of which he is now Vice-President.

Mr. Fenton is held in high esteem by a wide circle of acquaintances in the banking fraternity; he has taken an active interest in monetary reform and was one of the delegates from Chicago to the Monetary Convention at Indianapolis.

Mr. Fenton is a genial man of great breadth of character, and is credited by his associates with possessing rare foresight in monetary affairs, and it is said that he has repeatedly foreseen a coming financial stringency before others have remarked it.

He has served the Illinois Bankers' Association as president, is a member of the Chicago Bankers' Club, the Hyde Park, Kenwood, Calumet and Midlothian Clubs.

He has as strong inclination to art and poetry, is a lover of good books and a good judge of pictures. He has a son and daughter, and resides in Kenwood, Chicago.

The annual address of Mr. Fenton, as President of the Bankers' Association of Illinois, delivered at the recent annual convention, is presented herewith.

Gentlemen of the Illinois Bankers' Association—This is a convention of business men. It is a greater honor to be a business man to America to-day than at any other period in the history of our country, because it is only within the last two years that the business men of the United States awoke to a realization of their strength. Two years ago a wave of insanity was sweeping over this country. It seemed for a time as if it engulfed everything; financial ruin was stalking over the land. The dam had overflowed. A leader in a great economic movement stood in the Coliseum Building in the City of Chicago, and in the presence of twenty thousand people gave to the world what he claimed was a new and a broader definition of the business man—a definition as ridiculous in its deductions as it was perfect in form. It assumed that the man who had a thousand dollars was the enemy of the man who had a hundred dollars, and therefore both ought to be poor. It sought to array one class of people against another class, and one section of the country against another section; it assumed that the business men of this State and of all these Western States wanted to repudiate their debts. No compiler of a dictionary, since the world began, ever gave a definition that received such universal condemnation; the business men resented it with a cyclone of ballots, for if the upholding of national credit in 1896 was a victory for anybody, it was a victory for the business man. Second only to the heroes of our army and navy are these men in commercial pursuits, who, ignoring party obligations, forsaking party affiliations, joined in defense of national and individual credit.

I am not talking politics now—I am talking business to business men; there has not been any politics in this country for two years. There are only two questions to-day—business and patriotism—and they don't travel separately. The commercial life of the country means the home, and the home means patriotism. The events of 1896 are too recent to be forgotten by those who are met here to-day. You do not forget the days of anxiety, of doubt, of fear through which you passed. I ask you to recall what was taking place in this country two years ago to-day. In every city and in every hamlet in the land there were gathered by day and by night little knots of idle men discussing the money question. Every business enterprise was dwarfed, paralyzed, helpless, exhausted. Factories were standing idle; mills and mines were closed; labor was unemployed; the infection of alarm had taken hold of every good citizen. Money was being taken from channels of trade and hoarded; the people were buying drafts on foreign countries, sending their money away as they would flee from a pestilence. The mildew and the blight had fallen upon everything in this country, except the gold dollar.

The life of the nation was trembling in the balance, and the business men came out like an army with banners, and repudiation and the "God-given ratio" were swept from the face of the earth forever. Can men ask for any greater honor?

But gentlemen, it was in one sense a negative victory, after all; it left the question where it was. The verdict was in your favor; judgment was entered up, but how was it to be enforced? Wearied and exhausted the business world waited, wondering if the battle was to be fought over again. For over twenty-five years the business men of this country had seen their affairs periodically disturbed by a discussion of the money question—first greenbacks, then fiat-moneyism, and then free silverism. During all this time the commercial and banking interests had upheld the nation's credit, not by the aid of financial legislation, but in spite of it. At every recurring national election the business of the United States had been practically suspended while theoretical financiers discussed the currency question. Impatient at the feeble, nerveless, cowardly handling of this vital question by Congress, the material interests of this country were ready to take the matter into their own hands—they only needed a leader. Over in Indianapolis there was a quiet, thoughtful, modest citizen—a manufacturer of steam engines—thinking all the while of his business, solving problems in iron and steel and finance; a man of brains; a man of resources and a born leader—Hugh M. Hanna. One day he had an inspiration. He sent out from the city of Indianapolis a call for a conference of business men. In the Monetary Convention which followed that call, the business men saw something on which the real interest of this country could centralize; they saw a rallying point; they believed that they could do something because they had already done something.

That convention was composed of three hundred and fifty delegates, representing the commercial bodies of thirty-five States. It was one of the most important conventions ever held in the United States. All the political conventions held in the last twenty-five years pale into insignificance as compared with that assemblage. Here none were for a party, but all were for the State. Here were the men representing the material interests of the country—representing every branch of trade; earnest men having the welfare of the nation at heart—asking no favors, expecting none, therefore, not afraid to say what they meant. There was not a coward in that convention; there was not a man in that convention asking for votes. The principles enunciated by that body represented not only the best thought of the country, but they represented the honest thought. That convention represented you and me; it represented every man in the United States who is a dealer in values, whether he be a laborer in the field, the factory, the workshop or the mine, whether he be banker, merchant or tradesman. The history of the work of that convention is familiar to you all. It placed in your hands that admirable document, the "Report of the Monetary Commission," a document worthy of the source from whence it came.

The executive committee, headed by Mr. Hanna, has been unremitting in its work. To its intelligent and indefatigable work we are indebted for the currency reform bill, which was favorably reported by the Banking and Currency Committee of the lower house of Congress at the last session. We may not all agree as to the details of this bill, but we should remember that it has behind it the conservative force of the business men, and therefore cannot be very far from what is needed. If any evidence is needed to show that this is a meritorious measure, we have it in the fact that within the last week the advocates of free silver have stopped the cry of 16 to 1 and have begun a war on this bill.

Let us push this question of currency reform to a point where it will not be a foot-ball in every political campaign, as it has been in the past. Let us use every effort to give to the expressed will of the people the validity and the vitality of public law, to the end that this nation may (to use the words of an honored member of this Association, now Secretary of the Treasury) "be more firmly committed to the gold standard."

Under the stimulus of that standard, endorsed by the people, we have come up through the miasma of financial swamps into the broad open field of business prosperity; into the old-time activity. We are thinking less about standards to-day; we are forgetting the dangers that beset us. We are in the midst of a revival of business; that intangible circulating medium, which we call confidence, is again restored to the people, and we suddenly find that all other circulating mediums are ample. We are face to face with new questions; with the daily problems of busy men. We are meeting new faces; the old faces have taken a new and hopeful look; our erstwhile friends, "elasticity," "flexibility," and "redundancy," would hardly feel at home even in a bankers' convention to-day. We are thinking about expanding trade, of reaching out into new territory; thinking about building factories and railroads. We are comparing the bank clearings with large figures made in the past, only to find that we exceed them. We are watching the movement of the product of our farms as it goes to feed the world; figuring on bringing back from Europe balances due us in gold. Looking upon the cattle and the sheep all over the West and Southwest, computing their value in dollars only to find that it is greater than ever before in our history. We see the look of contentment on the face of the farmer, the laborer, the artisan. We look out about our home and see that the house has a fresh coat of paint; the iron dog is out on the front porch again; the brass rooster on the barn has been newly gilded; the grass on the front lawn is carefully cut, and the girl in the hammock has a new red ribbon in her hair.

My friends, under the happy condition of affairs, let us not be lulled into unconsciousness; let us not forget that in the days of Troy, while the people slept the enemy fell upon the city.

BANK CREDIT MONEY.

THE POWER THAT WILL COMPEL ITS ISSUE AND RETIREMENT AS TRADE DEMANDS.

In the speeches and newspaper articles that I have read favoring currency issue on bank assets there is one point that is very seldom made clear to the average reader who has not given the subject previous study.

The speakers and articles referred to mention the fact that such a currency will increase and decrease in the numerous local communities as per the commercial demand of each community. Other countries are referred to for proof of this increase and decrease, but as to the force or cause that makes this increase and decrease there is no explanation.

By many readers it is supposed, I infer from the arguments made by them against this system, that if it were adopted the banker in the community would sit on a high pinnacle, look over his local territory and judge the amount of currency needed and issue and decrease it at his own sweet will. Many, looking at the matter from this standpoint, raise the cry of "putting the country in the hands of the banker."

It is generally acknowledged by all classes that nine-tenths of the business of the country is done on customers' and bankers' checks, drafts, certificates of deposits and similar credit instruments. These instruments are very similar to the proposed currency issues, and they increase and decrease with the demands of commerce.

The banker that would endeavor to decrease these checks, drafts, etc., by not keeping all of such instruments of his out that he could, would endeavor to decrease his deposits, for deposits are made up of these instruments. To illustrate: Three men come into a bank and each makes a deposit; one takes a Cashier's check for his deposit, which will in all probability float around among a number of people, paying debts as it goes, before being presented at the bank for redemption. Another takes a certificate of deposit for his deposit, which instrument also floats around and pays numerous debts before being returned. The other man makes a regular deposit of his money and has it entered on his passbook and goes away and begins to issue his individual checks against said deposit, and these checks float around and pay debts before being presented for payment.

Of the money deposited by these three individuals, eighty-five per cent. of it can be loaned, under our present banking law, by the local banker, thereby increasing our circulating medium, these credit instruments and a large part of the money being out at the same time.

This law of the country bank keeping on hand only fifteen per cent. of deposits has been in force since the organization of National banks, and has proved an exceedingly good one, and has been a great factor in helping out our currency system—and thereby the merchant, the manufacturer, the laborer and the farmer, as well as the banker.

The banker's deposits of these various kinds are, with his capital and surplus, his stock in trade, and the more of these instruments that he can keep out floating among the public the more money he will have on hand to loan.

Furthermore, if a man comes into a bank and borrows $1,000 he rarely wants the actual money, but instead takes one of the above-mentioned credit instruments, which the banker always prefers to issue instead of the actual cash, and the circulation is again increased. Simply by a man borrowing, money increases "with the demand of commerce."

Now about redeeming these instruments. The banker, knowing that in all human probability they will not be all presented at once, follows the law and keeps on hand only the before-mentioned fifteen per cent. of the money deposited for them to redeem them with. Every day some of these instruments are being presented for redemption, however, frequently by customers of the bank, who generally take in exchange for them the same kinds of credit instruments, but in their respective names, to use in paying their debts and the debts of those to whom they transfer them and so on as per the "demands of commerce." And a large majority of these instruments come in through other banks, where they are deposited.

To illustrate: In a town there are two banks—the First National and the Second National. During the day the First National Bank has deposited with it $9,000 of the Second National Bank's checks and the Second National Bank has deposited with it $7,000 of the First National Bank's checks. Two thousand dollars in cash will pay the difference ($16,000 worth of checks redeemed with $2,000), and even this balance is usually paid with credit money, or one of the before-mentioned credit instruments.

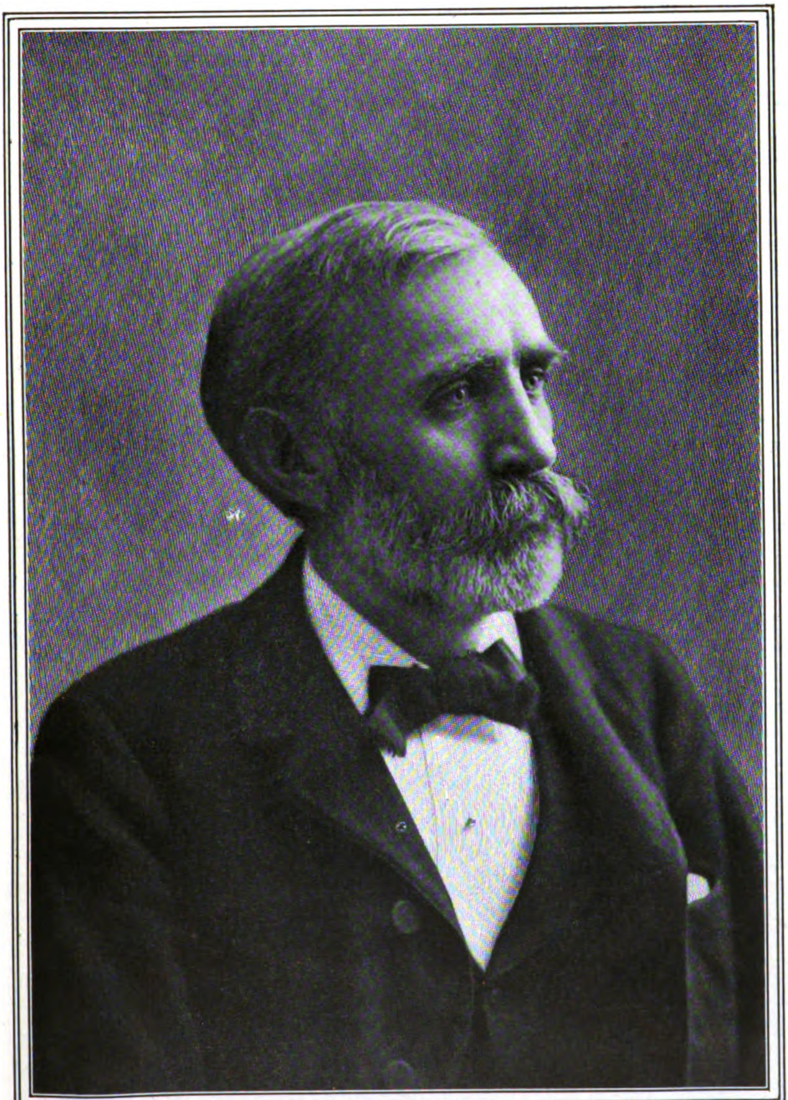
No one, it seems, will accuse the banker of trying to decrease the circulation of these credit instruments, his deposits; every banker is trying every way possible to increase his deposit account, which practically means the increase of these instruments. The more he can get out the more money there is in it for him. His neighbor banker is doing the same thing, and the rate of interest is accordingly governed under the rule of competition, as the price of commodities.

Now credit money, issued on bank assets, is another form of these instruments, increased and decreased, just as these instruments are, and subject to daily redemption the same as they are, and is no more in the hands of the banker than is the issuing of the aforesaid checks, deposits, etc. The banker that would refuse to issue a check or deposit receipt for a good bankable asset would be, unless his fifteen per cent. reserve was getting low, to that extent trying to get out of the banking business, by reducing his indebtedness to the people, and on the other hand would have to reduce the people's indebtedness to him by having them pay off their notes.

A proper credit money, while governed by the same general rules as these credit instruments are, will vary somewhat from them. For instance, the notes will be printed by the Government and will be made in such a way that they cannot be as easily forged or counterfeited as these other instruments, and for this reason and the fact that the general Government in all the bills now proposed is to have a more perfect supervision of the banks than in the past, the notes will float around longer in the local community than the other instruments before being presented for payment.

By the way, this increase and decrease is what knocks the quantitative theory of money out; the intrinsic value of the standard is the measure of value, and not the quantity. J. G. Vivion.

Perhaps the point that needs to be most clearly demonstrated in discussing the establishment of a genuine bank currency is that such a medium of exchange would be really created by the people themselves—that its issue would be dependent upon the volume of business to be transacted by the people, and not upon the operations of the United States Treasury, which fluctuate in obedience to war or peace and the condition of the revenues. As currency is needed for business purposes, its issue and retirement ought to be governed solely by business conditions. The question of redundant or deficient revenues ought not to control the volume of money in circulation.



When the people can be made to see that bankers would be interested in issuing all of the credit money they could keep in circulation, and that they would be losers by contraction, much of the prejudice against bank credit money will disappear.

A forceful presentation of this feature of the subject of currency reform is made in the foregoing article by Mr. J. G. Vivion, Cashier of the Second National Bank, Galesburg, Illinois.

Mr. Vivion, who is the active manager of his bank, owes his position to energy and ability, having risen from the bottom of the ladder without money or moneyed backing. During his eighteen years' experience in banking he has filled all the positions from bookkeeper to Cashier.

He is devoted to banking not solely for its returns in money, but in the belief that such institutions confer substantial benefits upon mankind.

Having long been a student of the principles governing sound finance, Mr. Vivion has labored effectually in influencing public sentiment in his locality in the proper direction. In the late presidential campaign he was one of the original gold men, and after seeing that his party (the Democratic) had gone astray on the question, he in company with others organized a Democratic McKinley Club, which did good work for the sound money cause.

He has been ever ready with facts and figures to support his position, and has presented the truth in a way calculated to persuade those of opposite views. To him the question of the best means of providing a currency suited to the demands of business is one which primarily concerns the welfare of the people, and is not to be decided from the narrow standpoint of profit to the banks. The prosperity of the people is the first concern of those engaged in any business enterprise.

Mr. Vivion has taken an active interest in the work of the Indianapolis Monetary Conference, and was instrumental in having his city represented by three delegates at the first convention, and at the second convention served as a delegate himself.

His success as a banker has been won by careful attention to the details of the business, and to the cultivation of habits of industry and courtesy, supplemented by the study of banking and financial literature.

He believes that a bank should not hesitate to charge for all services performed just what they are worth, regarding this as the only safe and just way to conserve the interests of stockholders and depositors as well. It is also his belief that the best way to increase the deposits and patronage of a bank is judiciously to increase the loans, and that the people who are accommodated will reciprocate the favor. The managing officers of banks should study the interests of the people, should mingle with them and be identified with them in the affairs of life. In a democratic country like this, bankers are not an aristocracy dwelling upon some lofty pinnacle far removed from the concerns of their fellow men.

The Second National Bank, with which Mr. Vivion has been so long identified, is conducted according to the soundest banking methods, as may be inferred from its announcement:

"This bank pays no interest on deposits. Its directors sign no bonds or other obligations for the purpose of obtaining accounts.

It invites merchants, manufacturers, corporations, farmers, mechanics, and all classes to open accounts with it on strictly business principles."

Such a bank is sure to prosper; and the views of its manager on the currency question are equally as sound as his ideas of the proper way to run a bank, and are entitled to thoughtful consideration.

Tax on Bank Checks.—The Collector of Internal Revenue at New York has received the following letter from the Commissioner;

"Recently some person either maliciously or in consequence of erroneous information sent a dispatch from Sedalia, Mo., to the Chicago papers stating that the Attorney-General had ruled that bank checks made payable to the order of a depositor of a bank and presented by him personally, were exempt from taxation. This statement, which seems to have been copied in almost every paper in the West, has given this office great trouble. Of course no such decision has been rendered or could be until the law is changed. If you have been troubled by inquiries based on this rumor you are authorized to deny that it has any foundation in truth in the most emphatic manner."

Bill for a Gold Standard.—On December 6, Representative Cousins, of Iowa, introduced in the House the first bill offered this session. It is entitled "A bill declaring the standard of value in the United States," and provides that the standard of value in the United States is declared to be and is the standard gold dollar of twenty-five and eight tenths grains of standard gold, nine hundred fine.

GOVERNMENT PAPER MONEY IN THE LIGHT OF POLITICAL ECONOMY AND OF EXPERIENCE.

[The following paper by Fred O. McFarland, of Mendon, Ill., was read before the recent meeting of the Bankers' Association of Illinois.]

In the selection of great problems, political, social or economic, a grave difficulty almost invariably presents itself. Men look at facts from different standpoints; from the same premises draw different conclusions, or perhaps the conclusions are drawn from separate and entirely different sets of facts. The result is that no common understanding can be arrived at as to the cause of the disease, and consequently no common agreement as to the remedy.

In order to more ably defend their position and to discover those principles upon which they must build their citadel of reform, men turn to two sources—to political science, economics, or sociology, according as the question be one concerning government, wealth, or human society, and to history. But even political scientists, economists and sociologists, with their more enlightened outlook, with their more conscientious study and with their more disinterested purpose, differ often widely in their verdict, and the judgment of history is often as ambiguous as the proclamations of the old Delphic oracle. So men are still in a state of confusion and they go on battling over the same difficulties year after year, century after century.

Three recent, radical revisions of our tariff within a brief period of seven years show that we are still undecided as to the relative merits of protection and free trade. The advocates of the opposing theories still vie with each other in attributing an abundance or dearth of material prosperity to the influence of a high or low scale of duties. "*Post hoc, ergo propter hoc,*" and the influence of sunshine and bountiful rains in producing happiness, and of speculation, inflated credit and fincial mistakes in engendering panics—these are forgotten, or vastly underestimated.

As to that form of political organization which is most enduring, most beneficial, the wisest will always doubtless differ, and history will not settle their dispute. The safest decision that we can reach is that

"For forms of government let fools contest;
That which is best administered, is best."

And that will be both best and best administered, whether monarchy, aristocracy, or democracy, which is best suited to the education, the traditions and the social institutions of the people to be governed.

It is not strange that upon these and many other questions there should be diversity of thought among men and changeful testimony from experience. A problem is often rendered so complex by the interweaving and interdependence of other factors that it cannot be entirely removed, placed by itself, viewed apart, and none but an omniscient being could determine the exact influence of the forces acting with it and upon it. While we lament the limitations of the human mind, we feel that there is some justification for the many compromises and the slow progress along many lines of reform toward perfection. But if a path of duty be made plain and unmistakable, there can be no justification for failure to act accordingly, and any excuse for negligence must be an artificial or immaterial one.

Views of Leading Political Economists in Regard to a Government Credit Currency.

There is one problem, an economic one, from which the different factors may be readily eliminated, and whose solution, irrespective of the social, intellectual, or political conditions which surround it, must be effected along certain well-defined lines and according to common-sense business principles. Political economists have solved it and they are well-nigh unanimous in the agreement that there can be but one answer, and by actual and repeated experiments upon the broad field of experience history has tested the accuracy of their conclusions. I refer to what is known as the currency problem, or rather that phase of it embraced under government issues of paper money.

There is neither the time nor the necessity for enumerating the great economists —those men who stand as beacon lights to guide the wayfaring seeker of knowledge in the way of sound and unprejudiced reasoning, nor for quoting their testimony. Out of the great number of those who regard the Government as an unsafe issuer of credit money three might be taken to represent their colleagues—one from England, one from France and one from the United States. Bonamy Price, formerly Professor of Political Economy in the University of Oxford, says:

"A government is a bad direct issuer of paper currency, and every nation would do well not to fall into such a snare. It fails on the capital point of providing thoroughly trustworthy security for convertibility."

Paul Leroy-Beaulieu, a great French economist, says:

"A government is ill-fitted and ill-equipped to maintain paper money in circulation, even if the paper is redeemable in specie. The redemption is in itself a great trouble and a continual embarrassment. Facilities for protecting the metallic reserve are as completely lacking in the State as they are abundant in the banks. Quite out of the daily current of affairs and incapable of exercising any direct influence upon them, governments are destitute of any means of checking excessive exports of gold. They can do so only by absolute prohibition, which would cause much worse evils than it could prevent."

President Francis A. Walker, perhaps the greatest economist this country has produced, speaks thus:

"Government paper money consists of bills, or notes, or scrip, issued from the treasury of the government itself. Payment in coin may or may not be provided upon the face of these notes, but inasmuch as the government can never, by its own courts, be declared bankrupt and sent into insolvency, such money must be considered as all practically irredeemable, or inconvertible, as it is more commonly called. If government chooses to redeem its notes, it can do so; if it does not choose to redeem its notes it can not be compelled to do it. One month the treasury may redeem in gold all its own notes brought to it; another month it may refuse to redeem any. All the time the money is inconvertible because redemption is at the pleasure of the government, not a matter of right upon the part of the holder of the notes."

He says further that the danger of over-issue never ceases to threaten such a money. "Its path winds all the way along the edge of a precipice."

I wish to say here that in our own country to-day, a region where more financial heresies grow and flourish than upon any other civilized soil, the political economists in our great universities are overwhelmingly arrayed in opposition to the Government usurping its legitimate functions and attempting to provide the credit money for our people. Prof. Taussig, of Harvard, says:

"The probabilities of good management are so small and the possibilities of evil are so great that the best plan is not to resort at all to this method of furnishing paper money."

Prof. William F. Folwell, of the University of Minnesota, says:

"There is no economy to a nation in the issue of non-interest bearing paper. The greenback issues have been a costly affair to the United States, and their retirement ought not to be long delayed, and a standing menace to the Treasury thereby removed."

Prof. J. Laurence Laughlin, of the University of Chicago, says:

"The mechanical action of Government issues can never suit the needs of persons actually engaged in business, because the Government cannot possibly engage in all the banking functions of deposit and discount. Only those institutions to which men are always going for loans and deposits can know what are the needs of trade. The very fact that our Government is not a bank unfits it for regulating the quantity of the media of exchange;

that must be automatically arranged by the business public itself through the bank with which it is constantly dealing."

I have selected the foregoing opinions because they are representative ones, and because they disclose the nature of government paper money, the danger of over issue and the necessary lack of elasticity. How, now, do the facts conform to the theory; or rather, in these days of evolution and of inductive methods, it would be more proper to ask, does the theory conform to the facts?

The Experience of Other Nations.

The world's experience with government paper currency has been extended enough so that we ought to find an unequivocal answer to this question in corroboration or contradiction. This experiment has been tried where the utmost absolutism prevailed; it has been tested within the Canaa-land of liberty. Its aid has been invoked when the red hand of War devasted and slew; it has been present when Peace sat in contentment beneath her olives. It has been tried in the hour of adversity, when furnaces were cold and mill wheels dumb; it has been tried in the hour of prosperity when the busy hum of industry made music everywhere. It has been tried with supposedly sufficient safeguards against mismanagement; it has been tried with no other guarantee of protection or good faith than the "I will" of the ruling power. It has been tried by those nations the most advanced in civilization; it has been tried by those which have just passed beyond the border-land of barbarism. Russia, in 1768, under a decree of Empress Catherine, established two banks to put in circulation State paper money. Mr. W. Dodsworth says:

"The system was started under the fairest auspices, was surrounded by careful precautions against its abuse and might have been cited as an example of the intelligent forethought which a paternal government bestows upon the welfare of its citizens. In 1786 the Government had a change of heart. It ordered an issue of 60,000,000 roubles; then redemption was stopped; then the issue was limited: then the limit passed and then came the deluge. In 1798 the roubles numbered 157,000,000; in 1800, 212,000,000; in 1810, 800,000,000. Then came depreciation, half-hearted attempts at redemption, then the issuing of bills on a specie reserve, then another period of inflation, and of late years the Government has accumulated an immense amount of gold in order to redeem the paper rouble at the rate of 66⅔ copecks to the rouble."

The story of the assignats of France, of which 8,000,000,000 were issued in five years, of their increase to 45,000,000,000, of the cancellation of a portion and the convertibility of the remainder into land warrants, which were so eagerly received by the people that they lost ninety-nine per cent. of their value within a year, and of the last act—the repudiation of two-thirds of the national debt, is too familiar to need repetition. Pierre des Essar says: "The issue of State paper money ended in bankruptcy, after bringing untold evils upon the State."

Italy, Spain, Austria-Hungary, Brazil, the Argentine Republic, all tell the same pitiful tale of good resolves as to moderation, but the same bitter ending in financial drunkenness.

There is something in the story of our own national life that does not arouse enthusiasm nor stimulate boasting. I refer to our experience with the same form of currency of which I have been speaking. It is not my intention to review the record in detail; I wish merely to present a brief *resumé*, to give a general outline, enough to disclose the general tendency and foreshadow the results of our policy.

Our first trial and its results are well known. "Not worth a continental," is the epitaph which is written above the grave of the colonial issues.

It is interesting after this first disastrous experiment to read the record of the formation of our Constitution. In the original draft of that instrument the eighth clause of the seventh article read thus: "The Legislature of the United States shall have power to borrow money and emit bills on the credit of the United States."

On August 16 the motion was made and carried by a vote of nine States to two to strike out the words "and emit bills." Mr. Madison declared: "Striking out these words cut off the pretext for a paper currency, and particularly for making the bills a tender for either public or private debts."

Gouverneur Morris had made the motion to strike out the grant of power "to emit bills upon the credit of the United States," and at that time he uttered these ringing words, which might well form the text for every plan of currency reform: "If the United States have credit, such bills will be unnecessary; if they have not, they will be unjust and useless."

The lessons of colonial times were borne in mind and the spirit of the Constitution obeyed for many years. When on November 12, 1814, Mr. Hall, of Georgia, introduced a resolution to issue legal-tender Treasury notes, the House by a vote of 42 to 95, refused to even consider the proposition

Beginning of the Issue of Legal Tenders.

Then came the Civil War, and the aid of the legal tenders was invoked, not to provide a permanent currency for normal times, but to uphold the Union. By the Act of February 25, 1862, the issue of $150,000,000 of United States notes was ordered. Mr. Sherman, who has had considerable to do (good, bad and indifferent) with our financial system, reluctantly sanctioned their issuance, but declared: "We dare not repeat this experiment."

But in three months the issue was increased to $300,000,000, and nine months afterward to $450,000,000.

From the day that the notes were issued they circulated at a discount. Gold was driven from the country and postage stamps and shin-plasters took its place. Prices rose with alarming rapidity, while wages were not compensated by a corresponding increase. It has been estimated that these notes increased the cost of the Civil War by $528,400,000, while Mr. Edward Atkinson recently computed their entire cost to the country at $7,000,000,000.

After some difficulty the Supreme Court passed favorably upon the constitutionality of the legal-tender clause. With regard to this decision the late Chief Justice Field expressed himself in this forcible language:

> "It follows then logically, from the doctrine advanced by the majority of the court as to the power of Congress over the subject of legal tender, that Congress may borrow gold coin upon a pledge to repay gold at the maturity of its obligations, and yet, in direct disregard of its pledge, in open violation of faith, may compel the lender to take in place of the gold stipulated, its own promises; and that legislation of this character would not be in violation of the constitution, but in harmony with its letter and spirit. What is this but declaring that repudiation by the Government of the United States of its solemn obligations would be constitutional?"

You are acquainted with the attempts to get rid of this currency after the war. In April, 1866, provision was made for the retirement of the notes, and in less than two years the authority given to the Secretary was suspended. At last came the Resumption Act of 1875. With regard to this Act, Prof. Dunbar, of Harvard, says:

> "The Resumption Act was not prepared with open doors, and doubtless there is much in its secret history that would be of great interest. The bill, introduced by the Finance Committee of the Senate, was admitted to be the work of a party caucus in which no agreement could be reached except by consenting to leave a principal point unexplained. Whether legal-tender notes, when redeemable in the language of the bill, could be reissued or not, Mr. Sherman, who had charge of the measure, steadily refused to say, knowing well that any explicit answer would drive off one wing or the other of his expected majority, and deeming it his business to carry the bill through by whatever means. It was passed by the Senate, therefore, with an obstinate refusal on the part of its chief advocate to state the meaning and effect of its leading provision. In the House all risk of explanation was avoided by forcing the bill through under the operation of the previous question, and thus the great work of resumption was entered upon, with absolutely no authoritative determination of the main question—whether redemption would end the legal tender currency or not."

The Secretary began to retire the notes until an Act forbidding further retirement was rushed through the House and Senate on May 31, 1878. This measure—one of the most momentous in our financial history, because it settled the question as to whether redemption was to be a farce or a reality—was adopted almost without debate. Well might Pres. Francis A. Walker remark:

"What but confusion and disaster can be expected when laws concerning fundamental policy are thus heedlessly enacted and repealed."

Not even the reserve behind these notes received scientific attention and the only mention made of it with reference to any fixed amount is found in the Act of July 12, 1882, in the statement relating to suspending the issue of gold certificates when the gold coin and bullion in the Treasury falls below $100,000,000.

A disreputable compromise made by Senator Sherman in 1890 with the silver faction, in order to secure their support for the pending tariff bill, caused a further inflation of our credit currency to the amount of $150,000,000 and disaster and ruin walked hand in hand with these new notes as they came forth from the Treasury. Made an added burden upon the already insufficient gold reserve, they came near proving the last straw which should break the camel's back. Simultaneous with their appearance began the disappearance of gold from the Treasury until, in February, 1895, the specie reserve against the outstanding notes was reduced to a fraction over eight per cent.

Through the rapid dwindling of the reserve we came nearer degradation to the silver standard than we care to be brought again. Mr. Sherman declares that an insufficiency of revenue was the cause of our financial ills in 1893, but it must be remembered that these notes are his child and, like many another parent, he is wont to ascribe the youth's misdoings, not to its own inherent maliciousness, but to the evil influence of the neighbors' children. Certain it is that these notes were a powerful contribution, both directly and indirectly, to the recent financial crisis, and the blow to our national credit, the loss through investments and the ruin to private business interests—these are their disgraceful heritage.

We have just passed through a brief and successful war without a further resort to such issues. The danger, however, was not absent. Yet we are all thankful that it was averted and that the attempt made at the beginning of the struggle to further increase our demand obligations met with unconditional defeat.

The foregoing brief review of our financial legislation shows it to have been of an exceedingly varied character. Like the great cathedral of Notre Dame, it bears evidence of the architecture of every period through which it has passed, but unlike that magnificent temple, it rests upon no solid foundation, and there has been no attempt at the carrying out of a definite, original plan. An excuse might be found for the great mass of monetary enactments if they were directed toward supplying the details, or attaining the complete consummation of a well-outlined system. But they have no justification when we find that the foundation of the whole structure is recklessly tampered with, and additions and alterations made to the superstructure which threaten its complete overthrow.

What hope for a more consistent line of action does the future offer? None whatever, if any portion of our paper money remains under the direct control of Congress. As Woodrow Wilson has said: "A policy cannot be either prompt or straightforward which must serve many masters; it will either equivocate, or hesitate, or fail altogether." In the future, as in the past, some passing exigency, some popular vagary, the necessity for some temporary party victory, will demand an increase of the issue or the reduction of the coin basis. Uncertainty and distrust will continue to lay their hindering hands upon all business undertakings and complete and permanent relief need not be looked for until the Government ceases to assume aught but its legitimate obligations and delegates to the banks the remaining share of duty and responsibility which of right belong to them.

Our own experience, coupled with that of other nations, fully substantiates the declarations of economists and proves beyond the peradventure of a doubt that governments are unsafe direct providers of paper currency.

(1) The danger of over-issue never ceases to be present.

(2) Proper provision for convertibility can not be made and maintained. It is argued in favor of Government issues that the Government has back of it the resources of the whole people. So a nation with an immense standing army, but thousands of miles away, might boast of its strength and defensive power, yet it could be readily pillaged before its imagined security could be brought into requisition. We have seen our own Treasury plundered, while its officials stood helpless, compelled to await for the slow results of the taxing power. The bank has its reinforcements always near. They come in daily through the ordinary commercial transactions. Its resources are always beneath its hand, readily procurable, of estimated amount and not scattered in unknown quantities over immeasurable distances.

(3) The Government can not prevent excessive exports of gold. The banks effectually defend themselves by raising the rate of discount. The Government has no such resort, because not being engaged in ordinary banking functions it does not discount commercial paper.

(4) The Government can not provide an elastic currency, for by no possibility can it know the demands of currency. There is this distinction between notes issued by the Government and those issued by the banks. The former should *never* issue them, except for itself; the latter necessarily issues them for the people. The Government may, in a desperate emergency, seek relief in paper money, but when the necessity has passed it has no right to shift the burden upon the people and to compel business conditions to adjust themselves to the amount of currency which it may please Congress at any time to send forth, instead of allowing trade transactions to determine for themselves the number of such tools needed to smoothly effect the exchange of the products of field and hand and brain.

It is one of the many evils of our present system that during a large part of the year money moves in a steady current toward the great financial centers of the East, causing a great loss through excessive rates of interest in the South and West, and producing a stringency at the very time when the demand for more currency is most pressing. What we want and need is not a credit instrument so aristocratic that it desires to labor only in the great centers of wealth and luxury, or lie idly in splendid banking mausoleums, but one so humble that it is willing to dwell anywhere, so full of energy that it must be always in motion and one which will demand no more for its services in an Oklahoma village than upon Sixth Avenue.

A proper bank note is essentially the same in nature as the check or draft. The Government has no more right to issue the one than the other. The impersonal nature of the note alone makes it possible for the Government to provide it, but the power to do a thing in this case by no means justifies its exercise. Only banks have the proper facilities for furnishing this form of paper currency. Only banks can issue it as called for by the habits of the community, or the desire and convenience of the customer. Only banks can adequately undertake the task of daily redemption, which is essential to its absolute safety and elasticity. There is no more danger of the over-issue of bank notes, with proper facilities for daily, actual redemption, than there has been and is of the over-issue of checks and drafts. Those nations which have delegated to banks the function of providing the paper currency, under proper safeguards, have well-established financial institutions. Those which travel the old and unsafe road of State issues are never far distant from the goal of repudiation.

If, then, the light shed by political economy and by experience so plainly marks out the way, why do we hesitate to walk therein? Why this difficulty in the path of currency reform? Why this reluctance to abandon a false and dangerous friend? The reason lies in part in a lack of extended knowledge. The question has never received careful and conscientious study by the masses of the people. By what means the greenbacks have arrived at their present position, or how, together with the Treasury notes their parity with gold is maintained, the majority do not know. About the first and often the only matter of knowledge which they obtain concerning the legal-tender paper is that the constitutionality of their issuance has been affirmed by the Supreme Court, the most unfortunate fact they could acquire.

Not only do many of our statesmen fail to possess that knowledge of political economy and of history which has been said to be the indispensable thing for a politician, but even possessing this knowledge, their views would fail to find expression in legal enactments until public sentiment had made a mighty clamor. In this country there is but little legislation in advance of public opinion, and public opinion will not demand currency reform until the evils of our present system are more vividly perceived than they are to-day. What we need to-day is fewer men who will follow popular sentiment, more men who will educate, uplift, correct, rebuke it. We need more men who will listen, not for the roar of the majority in the street, but for the still small voice within their own breasts. We need to-day more men like the incomparable Burke, who can perform the action which his conscience dictates and then returning to his enraged constituents and standing upon the edge of the political grave which they have dug for him, can so defend his course as to turn the tide of passion into a tumult of praise.

There is also a presentiment against putting ourselves any further "under the control of the banks," as it is expressed. That same weapon of unreasoning prejudice which compelled the Jews at the close of three succeeding centuries to become exiles from three European countries, exerts itself to-day in hatred against our financial institutions and prevents the further extension of their powers and an unbiased judgment of new methods. In line with this prejudice is the affection (supposed to be a patriotic feeling) for the greenbacks, the belief that they are a debt without interest, and the sentiment that so rich and prosperous a country as this should not burden itsef with debt by the sale of bonds.

Another foe to right thinking and right conduct is that exuberance of mingled patriotism and egotism which expresses itself in the belief that we are an exceptional country. Because we are an exceptional country we can laugh at precedent and ridicule history's teachings. Because we are an exceptional country we can repeal the law of supply and demand, turn the law of gravitation upside down, make water run up hill and fine the sun in case of a drought. The child Democracy, which was born in the wilderness of a new world more than a hundred years ago, has indeed had a wonderful record. But let it beware! It may become too wise for the parental advice of George Washington; it may become bold enough to step beyond the bounds placed for it by nature; it may become strong enough in physique and firm enough in character to resist the enervating results of tropical climes and the degrading influences of polyglot Asiatics, but it will never become strong enough to defy those principles, eternal in their duration and world-wide in their application, which underlie a sound financial system. And let us hope that these principles will soon become the intellectual property of the masses of the people, that our statesmen will respond promptly to the call of duty, that prejudice will be conquered, error dethroned, and that at last, in the words of ex-Comptroller Eckels, "the monetary principles which accord with the world's business experience, all financial research and every dictate of common honesty, will here prevail in complete and enduring triumph."

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court 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.

ASSESSMENT—INTEREST—CERTIFICATE APPOINTING RECEIVER—CERTIFICATES OF STOCK—DEPUTY COMPTROLLER OF CURRENCY.

Supreme Court of Nebraska, October 5, 1898.

DAVIS ESTATE, *et al.* *vs.* WATKINS.

1. **An assessment levied by the Comptroller of the Currency on a stockholder of a National bank draws interest from the date such assessment is made payable.**
2. **The commission or written appointment of a Receiver of a National bank issued by the Comptroller of the Currency, signed by him and attested with his seal of office, is a certificate within the meaning of Section 884, Rev. St. U. S.**
3. **Such a certificate proves itself and is admissible in evidence without extraneous proof of its genuineness.**
4. **The courts of Nebraska take judicial notice of the Acts of Congress providing for the appointment of a Deputy Comptroller of the Currency, and defining his powers and duties.**
5. **In a suit against a stockholder of a National bank to recover assessments levied against him by the Comptroller of the Currency, it will be presumed that the stock certificate bearing the corporate seal of the bank was issued to and signed by the officer having authority so to do.**
6. **In such a suit the validity of the incorporation of the bank is a collateral issue, and the stockholder is estopped from asserting that it is not a corporation *de jure*.**

RAGAN, *C.:* Oscar F. Davis owned fifty shares, of $100 each, of the capital stock of the First National Bank of Ponca, Neb. The bank became insolvent. The Comptroller of the Currency appointed Albert Watkins Receiver of said bank, and levied an assessment of 100 per cent. upon the stockholders of said corporation. Davis died, and the Receiver filed the claim against his estate in the county (probate) court of Dixon county. From the allowance of that claim by the county (probate) court, the administrators of Davis appealed to the District court of said county, where the trial resulted in a verdict and judgment in favor of the Receiver, and the administrators of Davis bring that judgment here for review on error.

1. The district court awarded the Receiver judgment for $5,000, with seven per cent. interest thereon from July 12, 1893, the date on which the Comptroller of the Currency made an assessment upon the stockholders.

The first complaint of the administrators is as to the allowance of this interest. Their contention is that the estate is not liable for interest on this claim until it was allowed by the county (probate) court, May 5, 1894. But the assessment made by the Comptroller was payable on or before August 12, 1893, and we think that it drew interest from that date. In *Casey* vs. *Galli* (94 U. S. 673) it was held that the assessment drew interest from the date it was made; and the same ruling was made in *Bowden* vs. *Johnson* (107 U. S. 251; 2 Sup. Ct. 246). In each of those cases it appears that the assessment was payable on the date it was made. Here the assessment was payable thirty days after it was made and, within the principle of the cases cited, would draw interest from the time it was payable. The judgment of the district court is for $29.16, or one month's interest too much.

2. The second argument is that the court erred in receiving in evidence what is known in the record as "Exhibit 1," being the commission or written appointment of Watkins as Receiver. The document was signed "Oliver P. Tucker, Deputy and Acting Comptroller of the Currency," and was attested by the seal of office of the Comptroller. The argument is that no foundation was laid for the introduction in evidence of this commission, as there was no proof of the genuineness of Tucker's signature, and no evidence that he had any authority to execute such an instrument. Section 884, Rev. St. U. S. provides:

"Every certificate, assignment, and conveyance executed by the Comptroller of the Currency, in pursuance of law and sealed with his seal of office, shall be received in evidence in all places and courts, and all copies of papers in his office, certified by him and authenticated by the said seal, shall in all cases be evidence equally with the orginals."

The exhibit referred to is not of course an assignment or a conveyance. It is not, nor does it purport to be, a copy of any paper or record in the Comptroller's office. But this exhibit is the original certificate, writing, or commission issued by the Comptroller of the Currency appointing Watkins Receiver. If this appointment or writing had been deposited in the Comptroller's office, then a copy thereof, certified by him and attested by his seal, would by reason of the statute just quoted, have been competent evidence equally with the original, and the seal would have authenticated the genuineness of the Comptroller's signature, and since the exhibit in question is the original certificate, appointment or commission, the seal thereon guarantees the genuineness of the Comptroller's signature, and the certificate proves itself.

As to the point that there is no evidence that Tucker was Deputy and Acting Comptroller of the Currency, and if he was such that he had authority to issue this commission, we think the fact that he was in possession of the Comptroller's office and performing its duties raises the presumption that he was the Comptroller's duly appointed and Acting Deputy, and clothed with power to perform the acts which he did perform. Furthermore, by Act of Congress the Comptroller of the Currency is invested with authority to appoint Receivers for insolvent National banks. (See Rev. St. U. S. § 5191.) And the Acts of Congress expressly provide for the appointment of a Deputy Comptroller of the Currency, and authorize him to perform the same duties as his principal. (See Rev. St. U. S. 1878 [2d Ed.] c. 9, § 327.) Of these statues this court will take judicial notice.

3. The third assignment of error relates to the admission in evidence by the district court of what is known in the record as "Exhibit 2," being the order made by the Comptroller of the Currency assessing the stockholders of this bank. This certificate was signed by James H. Eckels, Comptroller of the Currency, and was attested by his seal of office. It was objected to as evidence because no proof had been adduced that the signature attached thereto was the signature of the Comptroller. What has been said in reference to the admissibility in evidence of the Receiver's commission is applicable to this argument and it need not be further noticed.

4. The certificate of stock held by Davis, in his lifetime, was dated February 8, 1887, and signed: "Fay Mattison, Vice-President. F. M. Dorsey, Cashier." On the trial, for the purpose of showing that these gentlemen were the Vice-President and Cashier, respectively, of the bank at the time the certificate of stock was issued, the court permitted the Receiver to introduce in evidence what is known in the

record as "Pages 11 and 12 of the Minute Book," being the proceedings of the board of directors of the bank at a meeting held January 11, 1887, at which time Mattison was elected Vice-President and Dorsey Cashier of the bank. This ruling of the court is the next thing complained of. It is insisted that this evidence was incompetent, because no proof was introduced to show that the proceedings recorded in the minute book actually occurred; in other words, that they were genuine. We need not stop to inquire whether the court erred in admitting this evidence, as in no view of the case could its admission have prejudiced the plaintiffs in error, since the undisputed evidence is that Davis, in his lifetime, was the holder of a certificate calling for fifty shares of the capital stock of this bank; that this certificate was signed by Mattison as Vice-President and Dorsey as Cashier, and attested by the corporate seal of the bank; and that after the death of Davis this certificate came into the hands of his administrators as an asset of his estate; and that on this certificate he received dividends from this bank. In other words, the undisputed evidence is that Davis was at all times after February 8, 1887, a stockholder of the bank. In this proceeding it will be presumed that this certificate, bearing the seal of the corporation, was issued and signed by officers having authority to do so.

5. A final argument which we notice is that the evidence fails to establish the corporate existence of the bank. But the validity of the incorporation of this bank is a collateral issue which cannot be tried in this action. The administrators' intestate subscribed for and received stock in this bank, and he is estopped now from denying the validity of its incorporation. (*Casey* vs. *Galli*, 94 U. S. 673.) The defendants in error will be permitted to file within thirty days a remitittur of $29.16, and if they do so the judgment of the district court thus modified is affirmed; otherwise reversed.

CHECKS—VERBAL ACCEPTANCE—RIGHT OF ACTION.

Supreme Court of Iowa, October 7, 1898.

LEACH *vs.* HILL.

An indorsement of a check in blank, with the intention to transfer all rights growing out of the transactions of which it was an incident, gives the indorsee the right to sue one who in these transactions had verbally agreed with the maker to pay his checks.

Where the indorsee of a check sues on the agreement of one who had verbally promised the maker to pay his checks, proof of the agreement is admissible.

A verbal acceptance of a check is valid where the drawee knows that the drawer is acting for another, and he has funds of the other sufficient to pay it.

Where checks are given for the purchase of stock by stock buyers, seventy days is not an unreasonable time for a promise to accept future checks, to be binding.

In this case verdict and judgment were rendered against M. D. Hill, the Exchange Bank of Earlham and Thomas Early, for $119.05, in favor of the plaintiff, from which they appeal. The issues and facts appear in the opinion.

GIVEN, *J.:* The following facts, as shown by the pleadings and proofs, are undisputed.

On and for some time prior to January 27, 1893, S. M. Leach was Cashier of the Adel Bank, of Adel, and M. D. Hill was proprietor and Cashier of the Exchange Bank of Earlham, at Earlham, Iowa. Thomas Early was a man of ample means, residing at Earlham, and largely engaged in buying, shipping and selling live stock. He transacted the principal part of his banking business in connection with the buying and selling of stock through said Exchange Bank of Earlham. C. E. Sisson, though possessed of no means, was engaged in buying live stock for shipment, and purchased stock from J. C. Hill to the amount of $100, which stock Hill delivered for shipment, at the agreed place, on said 27th day of January, 1893. Sisson gave to Hill a check on the Exchange Bank of Earlham for the $100, signed "C. E. Sisson." J. C. Hill indorsed said check in blank, and delivered the same to S. M. Leach, Cashier, receiving therefor $100 of the money of the Adel Bank. S. M. Leach, as Cashier, sent said check to the Exchange Bank of Earlham for payment, which was refused, and the check protested, at a cost to plaintiff of $2.48. Sisson had no money in the Bank of Earlham to his credit at that time, but Early had credit largely above the amount of all outstanding checks given by Sisson for stock purchased.

The plaintiff's petition is in two counts, in the first of which, in addition to the facts above stated, it is alleged as follows: "That it was verbally agreed between defendant Thomas Early and the said C. E. Sisson that the said C. E. Sisson should and would purchase live stock for and on account of the said Thomas Early, and that such stock, after its purchase by the said C. E. Sisson, as agent for the said Thomas Early, should be delivered to the said Thomas Early, and shipped either in the name of the said Thomas Early or of the defendant M. D. Hill; and that said stock should be paid for by checks drawn by the said C. E. Sisson upon the said Exchange Bank of Earlham or M. D. Hill, in favor of the person of whom said stock should be purchased; and that the said Thomas Early should and would pay and provide for the payment of said checks by the said Exchange Bank of Earlham or M. D. Hill; that the said checks should be drawn in the name of said C. E. Sisson as a matter of convenience to said Thomas Early, and that they should be in fact his own checks, and paid by him as such, and that all such checks so drawn would be paid by the defendent M. D. Hill and the Exchange Bank of Earlham out of funds in said bank belonging to the said Thomas Early, and that when so paid they should be charged to the account of said Thomas Early with said bank; that the said C. E. Sisson should have no interest in the purchase of said stock and in the drawing of said check, except as the agent of said Thomas Early."

By an amendment it is further alleged as follows: "That by said verbal agreement it was agreed, between the said Thomas Early and the said C. E. Sisson that the said Thomas Early should and would carry on said business in the name of C. E. Sisson; that in said name C. E. Sisson all purchases of said stock should be made and all checks and payments for stock should be drawn; that said business of the said Thomas Early should be carried on in the name of C. E. Sisson for the convenience of the said Thomas Early, and to enable the said Thomas Early to separate the part of his business which he should so carry on through the instrumentality of said C. E. Sisson from other stock purchasing which the said Thomas Early was then and there carrying on, and for the purpose of concealing from the persons with whom the said Thomas Early dealt in carrying on said business through the instrumentality of said C. E. Sisson the fact that said business was the business of him, the said Thomas Early."

Judgment is asked in this count against Thomas Early for $102.48, with interest. In the second count plaintiff, in addition to the matters stated in the first, alleges, in substance, as follows: That prior to November 19, 1892, plaintiff had general knowledge as to the manner in which checks were drawn in said business by Sisson, and that said checks had been and were, customarily, paid by the Bank of Earlham. That prior to said date plaintiff had paid checks of said Sisson, drawn in said manner, after inquiring as to each of M. D. Hill by telephone. That on said 19th day of November, 1892, certain checks so drawn by Sisson being presented to be cashed, plaintiff made inquiry of M. D. Hill, by telephone through the agent of the telephone company at Adel, "whether any and all checks thereafter drawn by the said C. E. Sisson in said business of purchasing stock would be paid, and at the same time in said manner informed said M. D. Hill that said information was desired to avoid the necessity of calling him up by telephone thereafter when each such check given in said business should be presented." That in response thereto M. D. Hill authorized said telephone agent to deliver the following in writing to the plaintiff: "It will be all O. K. to cash checks from C. E. Sisson to the amount of stock he gets. [Signed] M. D. Hill."

He alleges that, relying thereon, plaintiff paid all checks made in said manner presented to it without further inquiry, upon Sisson's statement that they were given for stock, and that all of said checks were promptly paid by M. D. Hill, as Cashier up to the date of the check to J. C. Hill. In conclusion of this count plaintiff asks judgment against J. C. Hill, M. D. Hill, Exchange Bank of Earlham and Thomas Early for $102.48.

Thomas Early answered, admitting what we have stated as to undisputed facts, and denying every other allegation in the petition and amendment. M. D. Hill answered, admitting that said banks were banking institutions, and that he was proprietor of the Exchange Bank of Earlham; also admitting that Sisson gave J. C. Hill the check set out, that Hill sold and indorsed it to the Adel Bank, and that the Bank of Earlham refused to pay the same, and that it was protested. He denies all other allegations in the first count. As to the second count he admits that he stated by telephone to the agent at Adel, on November 19, 1892, as set out in the petition, but alleges that it was in response to an inquiry asking him about certain checks named in the inquiry, and that said answer related to no other checks. He denies all other allegations in said second count.

In an amendment filed to conform to the evidence, M. D. Hill and the Exchange Bank of Earlham says that the undertaking or promise sued on in the second count was not in writing signed by these defendants, or by their authority, and that they had no money of Sisson when said check was made or presented.

J. C. Hill answered, admitting the allegations of the petition, and alleging that, as between him and his co-defendants other than Sisson, he is liable only as surety; that by the indorsement of the check he intended to assign and transfer all causes of action in his favor growing out of the transaction to the plaintiff, "and consents that plaintiff may have judgment against his co-defendants therefor." He asks that he be held liable as surety only. By way of cross petition against his co-defendants other than Sisson, he repeats the allegations of the petition, alleges knowledge of the insolvency of Sisson, and the solvency of the other defendants, and that he sold the stock and took the check in the belief that the defendants, or some other responsible party, were responsible for the payment of the check. He asks that, in case plaintiff is not entitled to judgment, he have judgment against his co-defendants for the value of the stock sold and delivered. Judgment was rendered against J. C. Hill in favor of the plaintiff in a former trial as to him, and on the further trial the case was submitted on the issues joined between the plaintiff and Thomas Early, the Exchange Bank of Earlham, or M. D. Hill; and these are the only parties appearing to this appeal.

(The court here considered a question of practice.)

Appellants, again assuming that this action is upon the check alone, insist that the only right of action which passed to the plaintiff is that which arises upon the check, and that only those who appear thereby as parties thereto are chargeable thereunder, and therefore appellants, not appearing as parties to the check, are not liable in this action. *Watson* vs. *Chesire* (18 Iowa, 209); *Ridgeway* vs. *Raymond*, (82 Iowa, 592, 48 N. W. 944), and *First National Bank of Canton* vs. *Dubuque S. W. Railway Co.* (52 Iowa, 378, 3 N. W. 395), are cited.

In the first case Chesire, payee, indorsed the note of Moore "without recourse" to Griffith, who indorsed it "without recourse" to Watson. Held, that Watson could not sue Chesire on the indorsement. It is said: "Under our statute it may be that Griffith might specially assign his cause of action against Chesire to the plaintiff, but the mere indorsement of the note without recourse would not have this effect. Such an indorsement operates simply to transfer the title to the note, not an independent cause of action." The indorsement of this check is not without recourse. J. C. Hill is subject to recourse, and may well have intended, as he says he did, to transfer to plaintiff all his rights of action growing out of the sale of the stock. In *Ridgeway* vs. *Raymond* a partnership had executed its note to a bank, and after a dissolution of the partnership one of the partners executed a renewal note in the name of the late firm, the bank having no knowledge of the dissolution, and not intending to release either partner. The bank transferred the second note to the plaintiff who sought to recover on the first note. It was held that he could not treat the note assigned to him as a nullity, and sue on the first, in the absence of a showing that the bank was without knowledge of the dissolution of the partnership. It is said: "There is no averment in the petition from which we may infer that the bank ever regarded the note as invalid, and, if it regarded it as valid, knowing the facts, its treatment of the note is conclusive upon its assignee, the plaintiff."

In *First National Bank of Canton* vs. *Dubuque S. W. Railway Co.* (52 Iowa, 378, 3 N. W. 395), it was held that a bill of exchange drawn upon a general fund, and not accepted, did not operate as an assignment of the fund, but was evidence to be considered in determining the intention of the parties, and that the evidence was not sufficient to show that the draft was intended as an assignment of a fund subsequently coming into the hands of the drawee. The case recognizes that there may be evidence other than the draft to show what was intended to be assigned. It is a well-established rule of law that where a contract is made for the benefit of a person not a party thereto such third party may bring action thereon. (*Johnson* vs. *Collins*, 14 Iowa, 64; *Knott* vs. *Railway Co.*, 84 Iowa, 463, 51 N. W. 57; *Thomas* vs. *Schee*, 80 Iowa, 237, 45 N. W. 539; *Becker* vs. *Keokuk Waterworks*, 79 Iowa, 419, 44 N. W. 694; *First M. E. Church* vs. *Sweny*, 85 Iowa, 628, 52 N. W. 546.)

The alleged contract between Early and Sisson, if made, was manifestly for the benefit of those who might take Sisson's checks for stock purchased by him under that contract. The jury was warranted in finding that said contract was made, and it follows, under the rule first stated, that J. C. Hill had a right to charge Early under the contract with the price of the stock sold to Sisson.

Now, it may be conceded that, if nothing further appeared than the check, and the action was thereon alone, appellants would not be liable, as they are not shown by the instrument to be parties to it. This action as to Early is not upon the check alone, but upon the contract under which he is liable, and which inured to the benefit of J. C. Hill. If nothing more appeared than the check and the indorsement thereof, it might be said that Early is not liable; but he is confronted by his contract with Sisson. This court has many times held that an assignment of a debt carries with it the security. It has been so held where promissory notes secured by mortgage were transferred, and we see no reason why the rule should not apply to the transfer of checks. Early's liability is in the nature of a security, and under this rule passed with the transfer of the check. J. C. Hill could transfer his right of action against Early by parol, and it is manifest that both he and Leach intended and understood that all rights which Hill had growing out of the transaction were to pass to the plaintiff. By his agreement Early promised acceptance and payment of the checks of Sisson given for stock purchased, and this obligation passed by the transfer of the check, and plaintiff is entitled to maintain an action thereon. (See *Fairlee* vs. *Herring*, 3 Bing. 625; *Spaulding* vs. *Andrews*, 48 Pa. St. 411; *Barker* vs. *Guilliam*, 5 Iowa, 511.)

Appellants, still assuming that this action is upon the check alone, contend that evidence of the alleged agreement is inadmissable. If the action was upon the check alone, the authorities cited would be in point; but, being upon the contract as well, plaintiff has the right to prove it.

The jury was warranted in finding that the answer of M. D. Hill by telephone to the inquiry of S. M. Leach related to future checks given by Sisson "to the amount of stock he gets." Appellants contend that such acceptances must be on the instrument, or upon a separate paper after the instrument is drawn, or "by writing stating that a party may, in the future, draw a draft, and that the acceptor will honor it when presented." Counsel discuss the question whether the answer of M. D. Hill was in writing, the same having been taken down in writing by the telephone agent at Adel, and the writing delivered to the plaintiff.

In the view we take of the case, it is not necessary to determine this question. In *Walton* vs. *Mandeville* (56 Iowa, 597, 9 N. W. 913,) after a full review of the subject on a rehearing, it was held that a verbal acceptance of an order is valid and enforceable only where the drawee has funds of the drawer in his hands, so that by payment of the order he satisfies his own debt. Now, it is true that M. D. Hill did not have any money of Sisson's in his hands, nor was it intended that he should; but he did have money of Early's. He was fully informed as to the contract between Early and Sisson, and consented to and had paid the checks drawn by Sisson upon the creditor out of the funds of Early. When he gave that answer he knew that Sisson was acting for Early, and that the checks would be in effect the checks of Early.

Under these circumstances we think it must be said that the acceptance is valid, even if it was verbal. A promise to accept future drafts is only binding for a reasonable time, but, in view of the nature of the business, this check was drawn within a reasonable time after the promise. There can be no doubt but that plaintiff paid the $100 for this claim of J. C. Hill, relying upon the promise and assurance of M. D. Hill that Sisson's check would be honored. M. D. Hill did so because he had the credit and funds of Early to back him, and he should not now be excused from liability because Sisson had no funds in the Bank of Earlham.

Appellants discuss at length some thirty-five assignments of error based upon rulings on evidence and instructions. We have examined these assignments with care, and find that they are largely based upon the contentions already considered, and, for the reasons stated, are not well taken. The other rulings complained of, where at all questionable, were without prejudice to the appellants. Our conclusion upon the whole record is that the judgment of the district court should be affirmed.

CHECKS—AUTHORITY TO INDORSE.

Supreme Court of Minnesota, October 26, 1898.

WILLIAM DEERING & CO. *vs.* KELSO, *et al.*

A collecting agent has no implied authority to indorse checks in the name of his principal because he has power to collect accounts and receive money and checks payable to his principal. (Syllabus by the Court.)

BUCK, *J.:* The plaintiff is a non-resident corporation, created under the laws of the State of Illinois, and engaged in the manufacture and sale of harvesting machinery and other farm implements.

The defendants are co-partners and bankers at the village of Hallock, Kittson County, Minn.

On January 16, 1895, one B. P. Lewis, a collector for the plaintiff, went to the firm of Westerson & Johnson, in Hallock, and received from this firm a bank check for the sum of $200, dated on that day, and payable, to plaintiff or order, drawn on defendants, in part payment of a debt then due and owing from said firm to the plaintiff. Lewis, instead of transmitting this check to the plaintiffs, residing in the State of Illinois, took the same to the banking house of the defendants, and then indorsed upon the back of the check the words "William Deering & Co., by B. P. Lewis" (the name of plaintiff), and received from the defendants, in exchange for said check, a draft payable to himself or order, on Gilman, Son & Co., of New York, for $199.80, issued by the defendants. Lewis collected the proceeds of the draft, and absconded. He never paid to plaintiff any part of the proceeds so collected, and never made any report to plaintiff of such collection.

When the plaintiff was informed of the transaction, it caused a demand to be made on the defendants for the payment to it of the amount of said check so indorsed by Lewis. The defendants refused to pay the same. In the meantime the defendants charged the account of Westerson & Johnson with the amount of said check, and stamped upon its face that the same had been paid.

Upon defendants' refusal to pay the amount of the check, the plaintiff brought this action for the recovery thereof, and upon trial the defendants had a verdict, and, from a judgment entered thereon, the plaintiff appeals to this court.

It quite conclusively appears that Lewis, as collector for the plaintiff, was authorized to make collections in money, or to receive what are commonly called "bank checks," conditioned, however, that they were payable to the order of William Deering & Co.; and, upon the receipt of such checks, it was his duty to send these identical checks forthwith to plaintiff for indorsement and collection, through the clearing-house and other banks. Lewis never had any express authority to indorse or collect the checks after they were received by him; and it is a well established general rule of commercial law, applicable to all cases of implied agencies, that no authority will be implied from an express authority, unless it is positively needful for the performance of the main duties contemplated by the express authority. (Tied. Com. Paper, § 77, and authorities cited; *Jackson* vs. *Bank*, 92 Tenn. 154, 20 S. W. 802.)

In this case no such necessity was shown or existed. The check in the possession of Lewis was not payable to him, but to his principal, William Deering & Co.; and no implication arose that *prima facie* it was payable to Lewis, or that he had authority to demand or secure payment in the name of the true owner.

Where the drawer has funds in a bank, it is by custom obliged to honor checks payable to order, and it pays them at its peril to any other than the person to whose order they are made payable. (Tied. Com. Paper, § 431.)

The check was payable to plaintiff, and, when Lewis received it in payment of a debt due his principal, his duty as collector ceased, except to transmit it to his principal.

The indorsement of the check was not a necessary incident of the collection of the account, and his power to receive checks, instead of cash, did not confer power to indorse checks. (*Jackson* vs. *Bank*, 92 Tenn. 154, 20 S. W. 802; *Graham* vs. *Institution*, 46 Mo. 186; *Jackson* vs. *Bank* [Tenn. Sup.] 20 S. W. 802.)

The fact that Lewis was authorized to make collections in money as well as in checks did not enlarge his authority to indorse checks so taken in the name of the principal. (*Jackson* vs. *Bank*, 92 Tenn. 154, 20 S. W. 802.)

If he took checks in payment, he was not thereby authorized to indorse them to the bank on which they were drawn, and receive the proceeds. (Daniel, Neg. Inst. § 294. See Mechem, Ag. 382.)

We do not think that any custom or usage was proven that plaintiff permitted its collection agents to indorse checks payable to itself, and receive the proceeds; nor do we in any manner intimate that, if such usage or custom was proven, it would be competent evidence to overcome well-established commercial law. It seems a hardship for this loss to fall upon the bank, but it took no steps to inquire by what authority Lewis made the indorsement, and like other litigants who mistake the law, it must necessarily abide the consequences.

Judgment reversed.

ACCEPTANCE—STATUTE OF OREGON.

Supreme Court of Oregon, October 31, 1898.

ERICKSON, *vs.* INMAN, POULSON & CO.

Under the statute of Oregon no action can be maintained on an acceptance of a bill of exchange unless it is in writing and signed by the drawee.

As the drawee incurs no liability under a verbal acceptance, he cannot set up such an acceptance as a counterclaim in an action brought against him by the drawer.

This was an action to recover a balance of $316.73 for saw-logs sold and delivered by the plaintiff to the defendant between September 1, 1894, and February 1, 1895. The defendant claimed that its indebtedness to the plaintiff, by reason of such sale, had been extinguished prior to the commencement of the action, on account of its having orally accepted an order drawn on it by the plaintiff, and in favor of one C. W. Nelson, in the following form: "Clatskanie, March 29, 1895. Messrs. Inman, Poulson & Co.: Please pay to the order of C. W. Nelson $327.85, and charge same to my account. C. H. Erickson."

BEAN, *J.* (after stating the facts): There are several assignments of error, but, as the rulings of the trial court to which they refer all grew out of the erroneous theory that a verbal acceptance by the defendant of the order drawn upon it by the plaintiff in favor of Nelson was sufficient to render it liable thereon, it will not be necessary to examine the errors as assigned.

There is no ground for the argument that the order operated as an equitable assignment to Nelson of the claim due or to become due from the defendant to the plaintiff. To give a draft or an order such an effect, it must, by its terms, be drawn upon a particular fund. (*McDaniel* vs. *Maxwell*, 21 Or. 202, 27 Pac. 952.)

This order is not so drawn. It is simply a written request by the plaintiff to the defendant to pay to Nelson absolutely, at all events, a specified sum of money, and is an inland bill of exchange. (*Hawley* vs. *Jette*, 10 Or. 31)

The defendant, therefore, owned no duty to the payee, nor did it become his debtor unless the draft had been legally accepted by it. (1 Daniel, Neg. Inst. §§ 480, 498; *Anderson* vs. *Jones*, 102 Ala. 537, 14 South. 871.)

Now, the statute provides that "no person within this State shall be charged as an acceptor of a bill of exchange unless his acceptance shall be in writing, signed by himself or his lawful agent." (Hill's Ann. Laws Or. §3194.)

There is no pretense that the defendant ever so accepted the order, and, as a consequence, under the express provisions of the statute, it never became liable thereon.

Its counsel claim, however, that the statute was passed for the benefit of the drawee, and the objection that the acceptance was not in writing can only be raised by him; and two Pennsylvania cases are cited in support of this contention, but in neither of them was the question of the effect of a verbal acceptance of a bill of exchange involved. *Ulrich* vs. *Hower*, 156 Pa. St. 414, 27 Atl. 243; *Moeser* vs. *Schneider*, 158 Pa. St. 412, 27 Atl. 1088; and the dictum of the court on that question is at variance with the decided cases of that and other States, which agree that, under a statute like ours, no action can be maintained on an acceptance of a bill of exchange unless it is in writing and signed by the drawee. (*Magin* vs. *Bank*, 131 Pa. St. 362, 18 Atl. 901; *Bank* vs. *Lindeman*, 161 Pa. St. 199, 28 Atl. 1022; *Anderson* vs. *Jones*, 102 Ala. 537, 14 South. 871; *Duncan* vs. *Berlin*, 60 N. Y. 151; *Hall* vs. *Flanders*, 88 Me. 242, 22 Atl. 158; *Elliott* vs. *Miller*, 8 Mich. 182; *Bassett* vs. *Haines*, 9 Cal. 260; *Luff* vs. *Pope*, 5 Hill, 418; *Weinhauer* vs. *Morrison*, 49 Hun, 498, 2 N. Y. Supp. 544; *Dickinson* vs. *Marsh*, 57 Mo. App. 566; *Haeberle* vs. *O'Day*, 61 Mo. App. 390; *Upham* vs. Clute [Mich.] 63 N. W. 317.)

If, under the statute, no action can be maintained against the drawee on a verbal acceptance, then certainly there is no liability on his part; and, if there is no liability, he, of course, cannot set up such order, and his verbal acceptance thereof, as a defense or counterclaim in an action brought against him by the drawer.

Since it is admitted that the defendant never accepted in writing the order in question, it necessarily follows, from these views, that its defense to this action must fail, and the judgment must be affirmed.

DEMAND OF PAYMENT WHERE BANK INSOLVENT.

Supreme Court of Oregon, October 31, 1898.

JACKSON vs. McINNIS.

As the Receiver of an insolvent bank is not its agent, presentment to him is insufficient to charge an indorser on paper made by the bank.

BEAN, *J.:* This is an action by an indorsee against an indorser of a negotiable certificate of deposit, issued by the Portland Savings Bank on October 26, 1894, in favor of the defendant for $399.76, and by him transferred and indorsed to the plaintiff, for value.

After the indorsement, and before the maturity of the instrument, the Portland Savings Bank, becoming insolvent, closed its doors, and a Receiver, *pendente lite*, was appointed by the Circuit Court of Multnomah County.

Upon the maturity of the paper, presentment and demand of payment was made upon the Receiver, and notice of non-payment given to the defendant; and the only question necessary to consider on this appeal is whether such demand and notice is sufficient to hold the indorser.

No authority directly in point has been cited by counsel on either side, nor have we been able to find any; but upon principle the demand in question was, in our opinion, insufficient.

The contract of an indorser of a negotiable instrument is that if, when duly presented at maturity, the paper is not paid by the maker, he—the indorser—will, upon notice of dishonor, pay the same to the indorsee or other holder. It is a collateral and conditional contract, governed by the technical rules of the law merchant; and a demand of payment upon the maker or drawer and notice of non-payment are conditions precedent to the indorser's liability. It would seem, necessarily, to follow, therefore, from the very nature of the contract, that the presentment for payment must be made to the person whose duty it is to pay, or to an agent or person duly authorized to act in the premises. (1 Daniel, Neg. Inst. § 588; Tied. Com. Paper, § 313.)

Now, the receiver, *pendente lite*, of a corporation is not the agent of the corporation, nor is it his duty to pay or discharge any of its obligations, except as he may be directed by the court. He is an officer of the court, to preserve and distribute the assets of the insolvent corporation, and has no power other than that conferred upon him by the order of his appointment, or such as may be derived from the general practice of the courts of equity in such cases. (High, Rec. § 1; *Farmers' Loan Co.* vs. *Oregon Pac. R. Co.* 31 Or. 237, 48 Pac. 706.)

A demand upon him for the payment of the debts of the corporation would, therefore, be a useless proceeding, because he has neither the power nor authority to pay them. That duty still rests upon the corporation, notwithstanding its insolvency and the appointment of a receiver. Neither of these events amounts to a dissolution of the corporation, nor relieves it from the duty of paying its obligations. (*Bank of Bethel* vs. *Pahquioque Bank*, 14 Wall. 383; *Decker* vs. *Gardner*, 124 N. Y. 334, 26 N. E. 814; *Chemical Nat. Bank of Chicago* vs. *Hartford Deposit Co.* 161 U. S. 1, 16 Sup. Ct. 439.)

It continues to exist as a corporate entity, and its insolvency constitutes no excuse for neglect to make due presentment for payment of its paper, or to give notice of dishonor to an indorser thereof. (*Hawley* vs. *Jette*, 10 Or. 31.)

The case of *Armstrong* vs. *Thurston*, 11 Md. 148, is quite analogous to the case in hand, and supports the conclusion to which we have arrived. In that case the demand of payment was made upon an assignee of the maker of the note for the benefit of creditors, and it was held that it was not sufficient, because the insolvency of the maker did not excuse demand and notice, and the assignee was not his agent, nor was it his duty to pay the note; and the Court say no case has been found in which a demand of payment on a person standing in such a relation to the maker of the note has been held sufficient.

The case of *Ballard* vs. *Burton*, 64 Vt. 387, 24 Atl. 769, cited by the defendant, is not in point. That was an action against a person who joined with the bank as a maker of a certificate of deposit, and his undertaking was to pay the plaintiff the amount called for by the certificate when it, properly indorsed, should be returned to the bank. Before its maturity, the bank failed, and the question was whether a return of the certificate to the Receiver was a sufficient compliance with the terms of the contract. There was no question in the case as to the rights or liabilities of an indorser, and no discussion or consideration of that question.

The same may be said of the case of *Hutchison* vs. *Crutcher* (Tenn. Sup.) 39 S. W. 725. That was an action against an indorser of a note executed by a third person, payable at a certain bank; and the bank being, at the maturity of the note, in the hands of a Receiver, it was held by a divided court that the place of payment was at the office of the Receiver, and not at the building formerly occupied by the bank.

It follows from these views that the demand for payment made by the plaintiff upon the Receiver of the Portland Savings Bank was insufficient to charge the defendant as indorser, and the judgment of the court below must be reversed, and the case remanded for such further proceedings as may be proper, not inconsistent with this opinion.

FORGED CHECKS—LIABILITY OF COLLECTING BANK.

Supreme Court of Tennessee, December 18, 1897.

FARMER *vs.* PEOPLE'S BANK.

If a check having a forged indorsement come into the possession of a bank, and is collected by it, the proceeds are held for the rightful owner of the paper, and may be recovered by him, although the bank gave value for the paper, or has paid over the proceeds to the person depositing the instrument for collection.

BEARD, *J.:* This suit was brought to recover the proceeds of a check of which plaintiff in error claimed to be the owner, and which he alleged had wrongfully gone into the possession of the defendant in error, and had been collected by it.

The evidence in the case tends to show that Farmer delivered to one Head a small lot of tobacco, to be put in order for market; that, when so prepared, Head sent it to his merchants in Nashville, who, having sold it, returned to him the net proceeds of the sale, in their check on the Fourth National Bank of Nashville—payable, however, to the order of plaintiff in error; that, instead of delivering it to the payee, Head, without his knowledge or consent, indorsed the payee's name upon it, and delivered it to the defendant bank, whose officers, supposing this indorsement to be genuine, and without suspicion as to the title of Head, placed it to his credit, and permitted him to check it out; that it then forwarded the check to its correspondent, who in due time presented it to the drawee, and, receiving from it the amount thereof, remitted it to the defendant bank. Declining to pay to Farmer the sum so collected, this suit was instituted.

In the course of his charge to the jury, the trial judge said:

"If you find from the evidence that the draft in question was drawn by Dortch, Carsey & Co., in favor of plaintiff, on the Fourth National Bank of Nashville, and that his name was indorsed on the back of the draft, but that such indorsement was a forgery, then the draft was not legally indorsed, and should not have been paid; but if the defendant simply received the draft from Riley Head as a deposit, placing it to Head's credit, and afterward had it collected from the Fourth National Bank, and the defendant acted in good faith, not knowing the indorsement of plaintiff's name was a forgery, then the defendant would not be liable to plaintiff for said draft, and you should find for the defendant."

While there is obscurity in the first clause of this paragraph—the result, no doubt, of clerical omisssion in the transcript—in the concluding part the jury are very distinctly told that if they should find the defendant bank simply took this check or draft as bailee for collection in good faith, and without knowledge of the forged indorsement of the payee's name, then it would not be liable, though it had received its proceeds, and paid them over to Head. There was error in giving this instruction, for which the case must be reversed.

While the exact question here presented has not been heretofore raised in this State, yet the ultimate principle upon which it rests for determination has been recognized and applied by this court.

In *Pickle* vs. *Muse* (88 Tenn. 381), the well-settled rule was announced that "a check drawn in favor of a particular payee or order is payable only to the actual payee or upon his genuine indorsement; and if the bank mistake the identity of the payee, or pay upon a forged indorsement, it is not a payment in pursuance of authority, and it will be responsible." To the same effect is *Chism* vs. *Bank* (96 Tenn. 641). The logic of this holding, it would seem, must necessarily be that one coming into possession of such paper, either unindorsed or with a forged indorsement of the payee's name, could not successfully resist the title of the true owner, or, if it has been converted into money, a demand for its proceeds.

In such a case the rule of law is stated by Morse, in his work on Banks and Banking (volume 1, § 248):

"If a negotiable instrument, having a forged indorsement, come into the hands of a bank, and is collected by it, the proceeds are held for the rightful owner of the paper, and may be recovered by him, although the bank gave value for the paper, or has paid over the proceeds to the party depositing the instrument for collection."

Cases involving facts similar to these upon which this controversy turns have been considered by a number of courts of the highest respectability, and the rule announced by Mr. Morse has been applied to them. In *Talbot* vs. *Bank* (1 Hill, 295), a certificate of deposit belonging to Talbot was stolen, and by a forged indorsement came into the possession of the defendant bank, which subsequently collected it from the drawee; and at the suit of the owner the receiving bank was held liable for the proceeds of the certificate, though it acted in the utmost good faith, and without any suspicion of the fraud practiced upon the true owner.

Buckley vs. *Bank* (35 N. J. Law, 400), was a case where a check with the name of the payee forged upon it came to the possession of the defendant innocently, and was so collected by it. Having done so, it was compelled to respond to the claim of the true owner, upon his discovery of the loss and fraud, though the bank had already accounted for the proceeds to the party from whom it had obtained possession. In the course of the opinion the Court say:

"It is clear, then, that nothing passed to the defendant by virtue of the forged indorsement. The plaintiff's right to the check remained precisely as it was before his name was forged. The check, therefore, when the defendant obtained the money upon it, was the property of the plaintiff; and in that case he may, as we have seen, recover the amount in this action, as money received by the defendant to his use."

In *Shaffer* vs. *McKee* (19 Ohio St. 526), a draft payable to plaintiff's order was stolen from the mail, and the thief, having placed a forged indorsement upon it, sold it to McKee, who in good faith collected from the drawee the money, and appropriated it to his own use; and upon these facts it was held that the owner was entitled to recover. To the same effect are *Johnson* vs. *Bank* (6 Hun, 124), and *Bobbett* vs. *Pinkett* (1 Exch. Div. 368).

But it is insisted that this action cannot be maintained for the want of privity between the parties. This objection was made in *Talbot* vs. *Bank* (*supra*); *Buckley* vs. *Bank* (supra), and *Pickle* vs. *Muse* (*supra*), and in each of these it was held not to be well taken. Although not actually delivered to plaintiff, yet his ratification by a demand upon the defendant for its proceeds, by this suit, if not before, made the check the property of Farmer (*Pickle* vs. *Muse, supra*), so that when, without any lawful right, the defendant converted it into money, it stood in the place of the original paper, and was equally the property of the plaintiff in error.

In the one case no more than in the other can the defendant in error resist the right of recovery of the true owner upon the ground of a want of privity; for the action against the wrongdoer does not rest upon privity, but upon the fact that he has intermeddled with property not his own, and, asserting a hostile claim, he has interfered with the lawful use and dominion of the owner of the property.

For the error of the circuit judge in the matter indicated, the judgment is reversed, and the case is remanded for a new trial.

FORGED CHECK—INDORSEMENT—CUSTOM.

Supreme Court of Nebraska, September 23, 1898.

FIRST NAT. BANK OF HASTINGS *vs.* FARMERS AND MERCHANTS' BANK OF PLATTE CENTER.

An indorser of a negotiable instrument guarantees the genuineness of prior indorsements.

Accordingly, where a check is drawn payable to the order of a named payee, one who takes the check on the forged indorsement of the payee, and himself indorses it, is liable to the bank on which the check is drawn, if that bank pays it in ignorance of the forgery, in the absence of circumstances estopping the drawer from setting up the forgery.

There was presented to a trust company by its local correspondent an application for a loan, offering certain land as security. The application was signed "B.," and an abstract also tendered showed title in B. The loan having been accepted, a bond and mortgage were tendered, purporting to be executed by B. The company sent to the correspondent a check payable to the order of B. This check was presented to a bank, bearing the indorsement "B.," and also the indorsement of the correspondent. The bank paid the check to the correspondent, and itself indorsed it, and the bank on which it was drawn paid it. B did not own the land, and the abstract was false and forged. *Held*, (1) that if the application was made and the bond and mortgage executed by a third person, and that person indorsed the check, the indorsement was genuine, whether or not his real name was B., and although he did not own the land; (2) if the correspondent himself signed the application, bond, and mortgage and indorsed the check, the indorsement was a forgery.

Evidence examined, and *held* not to sustain a finding that the indorsement was genuine.

A principal is not estopped to deny the authority of his agent to perform a particular act, on the ground that it was within the agent's apparent authority, unless the authority to perform it was apparent to the person dealing with the agent, and by him relied on.

Evidence examined, and *held* not to show apparent authority in the correspondent to receive the money on the check.

A custom, special to a particular class of business operations, to be availed of, must be pleaded, and, if put in issue, proved.

(Syllabus by the Court.)

Error to District Court, Platte County; Sullivan, Judge.

This was an action by the First National Bank of Hastings, Neb., against the Farmers and Merchants' Bank and the United States National Bank. Judgment was rendered for defendants, and plaintiff brought error. Reversed.

DEPOSIT WHEN BANK INSOLVENT—WHEN DEPOSIT CANNOT BE RECOVERED.

Supreme Court of Illinois, October 24, 1898.

LANTERMAN *vs.* TRAVOUS, *et al.*

Where a check deposited with a bank a few days before it closes its doors is collected, and the proceeds mingled with the funds of the bank, the depositor cannot rescind the transaction and recover the amount of such check specifically, even though the bank was insolvent when the deposit was made.

Carter, *C. J.:* This is an appeal from a judgment of the appellate court affirming an order of the county court of Madison county denying the petition of appellant to be made a preferred creditor of the estate of J. A. Prickett & Son, bankers, who had assigned to appellees.

The facts out of which this claim of preference arose are these: About noon on Friday, December 11, 1896, the appellant, Mary D. Lanterman, deposited a check for $2,487.68, properly indorsed, drawn on the Bank of Edwardsville, with the banking firm of J. A. Prickett & Son. She received on it $37.68 in cash, and a pass book, in which the balance, $2,450, was entered to her credit. On the next day, about 4 o'clock in the afternoon, an employé of the bank took this check, together with other checks, to the Bank of Edwardsville for an adjustment of checks in the usual way, being in the nature of a clearing-house transaction. While there, another check on the Prickett bank for about $1,600 came in, and was included in the settlement. The result was, Prickett & Son received a balance of over $1,000, the exact amount not appearing in the evidence, which, with the checks taken up against their bank, was placed among the funds of the bank. On Monday, December 14, 1896, about 9 o'clock in the morning, the firm of J. A. Prickett & Son made an assignment to appellees for the benefit of their creditors. Appellant filed her claim for $2,450 within the prescribed time, and a verified petition setting up these facts, and asked that it be made a preferred claim and be paid in full.

The petition alleges that at the time the check was delivered to the bank the firm of J. A. Prickett & Son was insolvent, and had been for a long time prior thereto—much longer than thirty days—and that such fact of insolvency was well known to the person receiving her deposit at the time he so received it, but was not known to appellant; that it was a fraud on her to receive such deposit, and that, by force of the statute, all the acts and transactions in the premises were null and void, and of no force or effect, in law or equity; that the money realized upon her check never became a part of the assets of the bank, and that the assignee never acquired any title thereto. The court denied the prayer of the petition, but allowed the claim generally.

The appellant claims that by virtue of the "Act for the protection of bank depositors," approved June 4, 1879 (Myers St. 444), the whole transaction was rendered fraudulent *ab initio*, and that no title to the deposit passed to the bank or its assignees, and that she is entitled to reclaim it in the hands of the latter. Counsel for appellant has ably presented his views in support of this position, and cited as an analogous case *American Trust & Sav. Bank* vs. *Gueder & Paeschke Mfg. Co.* (150 Ill. 336). The appellee in that case asked to have a certain check that it had deposited with appellant's assignor returned to it, said check being uncollected in the hands of the assignee. This Court said (page 339, 150 Ill., and page 228, 37 N. E.):

"We think it clear that the deposit was, in legal effect, a negotiation of the check, so as to vest the legal title thereto in Schaffner & Co., with the right on their part to charge it back to the petitioner's deposit account in case it should not be paid on presentment. * * * The transaction, then, was one which, in the absence of fraud, would have passed the title of the check irrevocably to Schaffner & Co., and the claim of the petitioner to relief must therefore rest solely upon its charge of fraud, thus enabling it to rescind the transaction and reclaim the check on that ground."

(See, also, *American Exch. Nat. Bank* vs. *Loretta Gold & Silver Min. Co.* 165 Ill. 103.)

In the case quoted from it was further said:

"It seems plain that, if this statute can be held to apply to this case, it is proved, *prima facie*, that Schaffner & Co. received the check with intent to defraud the petitioner, and as their failure has resulted in a loss to the petitioner of the deposit, or at least of a considerable part of it, the fraud thus intended was accomplished; and, as no effort was made at the hearing to rebut the *prima facie* presumption raised by the statute, the legal proof of a fraud, both intended and consummated, must be deemed, for all the purposes of this proceeding, to be conclusive."

And it was held that the statute in question was applicable to civil as well as criminal cases, and the judgment of the appellate court ordering a surrender of the check to the petitioner was affirmed.

It will be seen that the sole ground for relief in these cases is placed on the ground of fraud, thus enabling the depositor to rescind the transaction, and reclaim the check deposited. In the case above quoted from, the check has been returned to the bank, and was in the hands of the assignee, and the rescission was rendered effectual by restoring the check to the depositor. But in the case at bar the check had passed out of the hands of the bank before the assignment was made, and had been paid by the bank on which it was drawn, and the money received in the clearing-house transaction mingled with the other moneys of the bank, if, indeed, it were shown that any money had been received for this identical check. A rescission, therefore, to enable appellant to recover her check was impossible.

Appellant claims that the proceeds of the check were mingled with the other money of the bank, and that it is only equitable that an equal amount of money should be taken from the money of the bank and be paid to her, and cases from other jurisdictions are cited in support of this contention, among others *Wasson* vs. *Hawkins*, 59 Fed. 233. In that case the Court said:

"The mere fact that the plaintiff became a creditor of the insolvent bank through the fraud of its President, and that the bank became a trustee *ex maleficio*, would give him no right to preference over other creditors, unless he can trace and identify his money as a part of the common mass. But when it is shown by indubitable proofs, or is admitted, as in the present case, that the identical bank notes and coins so obtained by fraud constitute a part of the common mass of bank notes and coins in the hands of the Receiver, in my judgment the modern and better doctrine is that the depositor may take out of the common mass so much as he has put in. (Lewin, Trusts, 1092, 1093.)"

It is unnecessary here to consider whether such a doctrine is or is not consistent with the rule established in this State, as announced in many cases. Thus, it was laid down in *Trustees* vs. *Kirwin*, 25 Ill. 73, that when money deposited was mixed up with the money in the bank its identity as a fund was thereby lost, and that the right to pursue it it must also fail. (*Bank* vs. *Goetz*, 138 Ill. 127; *Wetherell* vs. *O'Brien*, 140 Ill. 146; *Association* vs. *Jacobs*, 141 Ill. 261; *Bayor* vs. *Bank*, 157 Ill. 62.)

It was said in the *Bayor Case* (157 Ill. 68):

"It has frequently been announced as the law of this State that even in a case where a definite and actual trust fund, which possesses all tne attributes of a separate and distinct identity, has been so mixed and mingled with other funds as to render identification impossible, the *cestui que trust*, in the event of the insolvency of the trustee, is remitted to the position and the rights of a general creditor."

It does not affect the question that an action may lie against the defaulting trustee for his wrongful act.

But if the rule contended for prevailed in this State it would not sustain appellant's position. Other checks besides her own went into the clearance settlement with the Bank of Edwardsville, and it cannot be known what the proceeds of her check were. How can it be said that the balance of $1,000 in money was received for her check rather than for the others? And, if it could be determined that Prickett & Son received in the settlement the $1,600 check drawn on themselves as part of the proceeds of appellant's check, it would avail appellant nothing. Indeed, she does not seek to have that check delivered to her as a part of the proceeds of her own. It is clear that the proceeds of appellant's check cannot be traced. They have been mingled with the common mass, and their identity is lost. It cannot even be said with certainty that any such proceeds are in the hands of the assignee in the form of money. It is not so much a question between appellant and the insolvents as between her and other creditors, and no reason is perceived from this record why, as between them, the maxim that equality is equity should not prevail.

The judgment of the appellate court will be affirmed. Judgment 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: ——, Mass., December 7, 1898.

SIR:—Referring to my inquiry in a recent number of the BANKERS' MAGAZINE, I beg to say that you do not seem to answer my question.

You will notice by the inclosed copy of note that no bank guarantees the first indorsement, but simply stamps with their usual stamp, and we want to know if we could not oblige the bank presenting it for payment to us to guarantee. CASHIER.

Answer.—The note inclosed by our correspondent is drawn to the order of Jones & Co. and payable at the W. National Bank, and is indorsed as follows: "For deposit only in Nat. Bank of S. Jones & Co. by A. B. J. Pay to the order of Nat. C. Bank. A. Pay to the order of any National or State Bank. Nat. C. Bank." In the former inquiry our correspondent said: "You will notice that the first indorsement needs a guarantee and the stamp of the New York bank does the same." We inferred from that that the New York bank had placed upon the note a special guaranty, and we stated that the guarantee of the New York bank would inure to the benefit of the W. Nat. Bank. But under the facts as they now appear we would say that the W. Nat. Bank would have the right to require that the bank presenting the note for payment should guarantee the genuineness of the first indorsement.

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT AND PROSPECTIVE MEETINGS.

INDIANA BANKERS' ASSOCIATION.

The second annual convention of the Indiana Bankers' Association was held at the rooms of the Commercial Club, Indianapolis, Nov. 15 and 16.

After prayer by Rev. J. A. Milburn, pastor of the Second Presbyterian Church, the president's annual address was delivered by Allen M. Fletcher, Vice-President of the Fletcher National Bank, Indianapolis, who said:

"I shall speak to you this morning with reference to the profits in banking at this time. I shall assume that you are all conversant with the general conditions as well as the financial conditions of the country, and this State in particular, and that the question naturally arises in the mind of the banker whether, with the existing plethora of money, the era of cheap interest, which as far as one can see has been coming for some time, and possibly we are to have it in a more acute form, which brings with it no reduction in taxes, salaries or the general volume of expenses that are incident to the business of banking, and whether with the general hazard of the business, we can hope to earn even the small profit of the past. I am inclined to think not, except we conduct business on very conservative lines. I do not think interest should be paid, or can be paid, profitably, upon deposits at all, unless perhaps to correspondents where the benefits of par points in a measure give value received.

I think the time has come when we cannot afford to give valuable service of any sort without a reasonable compensation. I believe in cases where taxes are high and capital is so large that it cannot be profitably employed, material reductions in capitalization will become necessary; and where the volume of business is not sufficiently great to give a profitable business to the number of banks, or, to put it in other words, if the number of banks is too great, consolidation and liquidation will necessarily ensue. You have an example in Boston, a notable one, where nine banks have recently consolidated into one, with a view, primarily, of reducing expenses to a point where a profit might be made. Similar action is being taken all over the country, commencing, of course, in the large money centres; but it will necessarily find its way into the smaller cities; it cannot be helped, in my judgment.

I think that where banks have any material portion of their active capital tied up in real estate, or other negative assets, and have not acquired a large volume of profitable business, have not accumulated a fair surplus, they will be compelled to follow a similar course, cease paying dividends, or go into liquidation.

I fail to see what possible hope of profit there can be to an institution that collects as far as it can all over the United States, and that sells exchange free of cost, and that pays interest generally on deposits with a view of acquiring a volume of business.

I can see no possible hope of profit, under existing circumstances, to an institution carried on on those lines, and I utterly fail to see an incentive in maintaining or in starting an institution to be carried on in that general way, unless it be for the purpose of creating machinery to pay salaries. That certainly does not pay the stockholder, and in due time he will become tired of it.

In other words, I believe, gentlemen, that the day of low interest has come in this country, and it has come to stay; and it looks very much to me that the day of high taxes has come, and has come not only to stay, but to increase. It looks so to me.

Every possible economy consistent with good business management will, in my judgment, be necessary to make banking reasonably profitable under existing circumstances. Bankers, I think, will have to pursue a course, if they desire to keep their money moving, of loaning out at a lower rate of interest in the West than they have in the past.

I doubt very much whether it is a profitable method to send your accumulation to the East, to New York for example, and receive one and a half or two per cent. interest on your idle funds, and force the New York banker to turn right straight around, to utilize those accumulations, and loan that same money—your money—to your best customers in your particular city at four per cent., or four and a half per cent. They do it. You do it. You are a party to that transaction. In my judgment, you are simply hurting yourselves. You dislike to come down to loaning money at a lower rate of interest at home. Many bankers find it inconvenient to have two rates of interest to different classes of customers. You will either have to do it, or you will give up your better customers. Give up that which means to you your strength in time of trouble. It is your good customers that you can call on to pay their loans when you need money, as a rule.

I shall not take up any more of your time this morning, gentlemen. We came together rather late, and we will not be able to carry out the programme if I continue. I merely want to emphasize the proposition that economy and utterly declining to do something for nothing are, in my judgment, the two fundamental propositions necessary to profitable banking. It is either that, or it is liquidation and going out of business.

Mortimer Levering, of La Fayette, delivered an interesting address on practical banking topics. He spoke in favor of a more thorough education of bankers, especially in regard to commercial and banking law, deprecated the practice of banks becoming sureties on appeal bonds, adverted to the custom of banks doing certain kinds of business for nothing, favored uniform protest fees by notaries, and suggested that days of grace be abolished.

Orlando M. Packard, National Bank Examiner, spoke chiefly on the subject of bank taxation, his remarks on this topic being, in part, as follows:

"I believe that an examination of the sources of the State's revenues would disclose the fact that the banks of Indiana—National, State and private—pay taxes upon a larger percentage of valuation of their assets than is paid by any other form of organised capital or than is paid by any other form of property, real, personal or mixed. I am not criticizing particularly the officers whose duty it is to enforce these laws as they appear to read or to mean, but rather some of the provisions and omissions of the laws themselves.

It is just as much your privilege and duty to go before your State Legislature as bankers and demand equitable laws for the administration and taxation of banks as it is the privilege and duty of the merchant, the farmer, the physician, the coal miner or the railroad or factory hand. These and other important and vital matters I know will engage your attention and discussion. Permit me to suggest the appointment by this convention of a special committee on bank legislation, whose duty it would be to formulate and urge upon the forthcoming legislative assembly such new laws and amendments to existing ones as will more fully and equitably fit the modern conditions of banking in the great and growing State of Indiana."

Reports from the various districts of the State were presented at the afternoon session. Henry Reis, Cashier of the Old National Bank, Evansville, read the following report for the First District:

"The business condition of the First District is satisfactory. The manufacturing establishments are running upon full time, paying fair wages, and all report a good demand for their output. One of these establishments, through a disagreement of its partners, was placed in the hands of a Receiver, from whose report to the court it is shown that the net earnings for the past five months were eleven per cent. State Factory Inspector D. H. McAbee reports business excellent and improving all the time, with many concerns running with a night force, something they were never known to do before. This report fully applies to the First District, and especially to the city of Evansville.

The American Chemical and Spirit Company some time since commenced the erection of its buildings, and will manufacture wood alcohol, and many other chemicals, also those used in the making of smokeless powder. The wood used in the manufacture of alcohol is brought down the Ohio River a short distance at cheap transportation.

This is the largest manufacturing market for hard-wood lumber in the world, as evidenced by the sale of eight million feet, by one firm, to the Pullman Palace Car Company. The jobbing trade in our city is good, with country collections reported satisfactory. To the retail stores we can point with especial pride. Some of our dry goods, clothing, jewelry and other establishments would do credit to any of the larger cities, such as Chicago, Indianapolis, Cleveland, Cincinnati and St. Louis.

The farmers, I am pleased to report, are in excellent condition, and the much talked of farm mortgage is now more of a tradition than a reality. Although they admit a short corn crop this year, yet their general condition is so good that some of them contemplate refusing to recognize their city acquaintances, for I have already had an intimation of this kind, not for personal reasons, but for the reason that the bank with which I am connected refused to allow him interest upon his deposit. The banking business is quiet with plenty of money to loan and a scarcity of applicants for desirable loans. With the reduction of interest upon deposits and the general improvement of business now apparent everywhere, I hope the report next year will show the profits to be in keeping with other lines and more satisfactory to ourselves."

Other reports of a uniformly favorable character were read as follows:

Third District, Hugo C. Rothert, Cashier Huntingburg Bank; Fourth District, F. L. Powell, President National Branch Bank, Madison; Fifth District, I. H. C. Royse, President Terre Haute Trust Co.; Seventh District, Jas. R. Henry, Cashier State Bank of Indiana, Indianapolis; Eighth District, C. H. Church, Cashier Delaware County National Bank, Muncie; Tenth District, Mortimer Levering, La Fayette; Thirteenth District, L. G. Tong, Cashier St. Joseph County Savings Bank, South Bend.

Jno. H. Holliday, President of the Union Trust Co., Indianapolis, and Jno. O. Perrin, Vice-President of the Perrin National Bank, La Fayette, delivered the reports of the vice-presidents-at-large.

The National Bankruptcy Law was ably and fully discussed by Hon. Nathan Morris, attorney, of Indianapolis.

At the second day's session, John Farson, of Farson, Leach & Co., Chicago, spoke on the municipal debt of Indiana. He gave an outline of the laws relating to municipal indebtedness, and paid a high tribute to the credit of the State. He gave the following facts in reference to the development of the State: population—1810, 24,520; 1850, 988,416; 1890, 2,192,404. Assessed valuation for taxation—1850, $138,-362,085; 1870, $662,283,178; 1895, $1,286,050,531.

In closing his remarks, Mr. Farson said:

"No higher honor can come to any man than to be be an American citizen. Such citizenship, however, is fraught with grave responsibilities and imperative duties. We hear of corruption in office, and perhaps such statements are not without foundation. When, however, every citizen—measuring up to his opportunity—does his duty fearlessly and faithfully, this glorious Government, founded by Washington, preserved by Lincoln, and so wisely ruled by McKinley, will reach the ideal. Not the least duty of citizenship is the cheerful payment of taxes, which have been properly extended and the payment of which is necessary for the support and stability of the Government. Every citizen who in the daily conduct of life does with dignity the duty which lies next to him, even though it may seem inconsequential, is entitled to receive the plaudit, 'Well done, thou good and faithful servant.'"

Address by Hon. James H. Eckels.

The next address was by Hon. James H. Eckels, ex-Comptroller of the Currency, and now President of the Commercial National Bank, Chicago.

Mr. Eckels spoke with his customary force and clearness. He began by a felicitous reference to the history of the Northwest Territory, and paid a tribute to Secretaries Chase and McCulloch. He said of the latter:

"And from the State of Indiana came a man not less great than any other man who ever sat in the Treasury Department at Washington, who in the breadth of his intellect, who in the grasp of great financial questions, who in the appreciation of the relations which the financial affairs of the Government bear to the people, must be reckoned with none, the State of Indiana presented in the country's time of need Hugh McCulloch, who, as Comptroller, organized the banking system, and as Secretary of the Treasury thereafter gave such a demonstration at Washington as warranted the belief that if he could have been continued and his advice taken, long ere this the country would have been rid of financial errors, financial waste, financial disasters and financial losses."

Regarding the greenbacks Mr. Eckels said:

"We more than once have been regaled with that which purports to have been the position of certain men upon great public problems. There have been more than once presented in the columns of the press, there have been more than once uttered from the platform, statements as to what has been the past history and what was the origin of certain things which now are being considered by the public. One, more than all others, that has been the object of misinformation, until at last the error has been accepted as a truth, is the origin of the paper money in this country known as the greenback; and whenever a position has been taken by banking people or business men against the desirability of a further continuance of it, we are told that the maintenance of the greenback is in accordance with the best ideas of American finance, and that as against a note issued by a bank, it is a safer and a better document.

I challenge those who make the statement to read the history of the bringing into being of the paper issue of the country. He will study that history from the origin of the Government up until the outbreak of the Civil War and find that, if there was any one thing against which the face of the American financier and public man was set, it was against the system of issuing any paper money by the Treasury Department of the United States. * * *

Mr. Chase, after repeated assaults upon him upon the part of those who advocated the Treasury note as against the bank note, was dragooned into a semi-sanction of the Treasury issue, but always under protest, and when he became Chief Justice of the United States the idea presented to him, as a lawyer administering the laws of the country, that there lay within the Government the power to issue a Treasury note and attach a legal-tender property to it, compelling a man to surrender his evidence of debt for another kind of money, a law-created money, was so repugnant to him that he repudiated the whole idea.

When the question was debated it was stated without contradiction that there had never been a proposition before Congress which in any wise directly or indirectly sanctioned the idea embodied in the issuance of a Treasury note; that no such bill had ever been presented; that it had never been passed upon by a committee; that there had never been a single voice until that time raised in its favor: and yet, if it was to be done, the Government would enter upon a career, in its financial transactions, which could not but be a continuous source of embarrassment and danger to it; and among the men who to-day, reviewing thirty years of the uncertainty, of the loss, of the embarrassment, of the discredit which more than once has attached to the American financial system, the Hon. Justin Morrill, then a member of the House from the State of Vermont, protesting against this whole thing, said that it was something that was not supported by a single sound precedent of finance, but was damned by all. * * *

Nobody believed in the legal-tender principle as attached to that money at the time of the first bill, which created the fifty millions of Treasury issues. The supporters of it apologized for it. Every man of them said that when the exigency then demanding the issue of that paper was exhausted that those notes should be redeemed and that the Government should retire back to its legitimate position of having a Treasury Department whose function was not to carry on a bank of issue, but whose only function was to collect the necessary revenues for the Government and disburse them for the legitimate expense of the Government, and as an evidence of good faith in that matter there was provided in that act that, within a certain period of time, the issues then made should be convertible into interest-bearing bonds in sums of a certain amount and over. * * *

National Bank System a Source of Profit to the Government.

The country has had under the National banking system a system which in its currency department has not been a source of loss to the Government, but has been a source of great profit to the Government. The National bank, abused upon the platform, undefended by much of the press, scouted at in the legislative halls of the nation, has been a contributor to the revenues of this Government beyond all the expenditures therefor to the extent of more than a hundred and fifty million of dollars. It has given to the American nation a uniform system of banking in all the States of the Union; it has raised the standard of banking; it has cheapened the rates of interest; it has cheapened the rates for collection; it has cheapened the rates for exchange; it has been the means of having established in every State of the Union, because of the excellence of its features, admirable State laws, which have given State institutions quite as substantial, quite as beneficial, of quite as much profit to the community as the National banking system. And nobody who is a thoughtful citizen and knows the banking history of the present, as compared with the banking history of the past, would dare to say that danger attaches to an extended area of influence for State institutions, because the men in State institutions are to-day as well equipped in many directions as those who are in the National system; their methods of doing business are the same; their interests are the same; and State banks, under a well-devised and thoroughly administered State law, insure as safe banking to the immediate people of the State as do the National banks. But some system ought to be devised by which all could be brought under a common method of administration of law, with the same rights, with the same duties, with the same opportunities. For the sake of establishing confidence in the institutions of every kind and character upon the part of the people, wherever situated, some method, equitable and ju t, ought to be devised by which there can be a uniform system of supervision and uniform administration. The State systems would lose nothing thereby; the National system would gain no advantage beyond what was its need. But there would be established through such a method an absolute confidence everywhere and at all times and among all the people of this nation in the banks of the country, irrespective of whether they found their origin at first in a State or in a National system. The banking interests of this country demand nothing more than that they be granted the opportunity of doing the things which, by long study, by long experience, it is evident will be best for the communities in which they are located.

PROSPERTY OF THE BANKS DEPENDENT UPON THE PROSPERITY OF THE PEOPLE.

In these periods of unrest, of unwholesome discussion, of demagogy in the press in many instances, and upon the platform, of financial errors, we more than once have been taught that somehow and by some means. always remaining unexplained, the bank only thrives upon the misfortunes of its patrons. How absurd; how unjust; how contradictory to the intelligence of every man! How can any man prosper to the detriment of his fellow? How can any bank gain dividends with an impoverished community? The lesson from 1893 to 1897 showed impoverished banks simultaneous with impoverished communities. The lesson from this on, as prosperity makes its way through this country, will show prosperous communities along with prosperous financial institutions.

The profits of the railroads grow in this country. Why? Because the agriculturist upon the farm has had given to him, under the demand for the needs which he can supply, an incentive and a price which make it necessary for him through his improved condition to use the railroad and thereby improve the condition of the railroad.

The bank is the one institution in every community that marks the activity or the depression of the industries, and of labor, and of every character of business undertaken in the community. When the reserves pile up, when there is no use of money, or upon the other hand where money is taken from the banks and hoarded, instead of going into the active channels of trade and commerce, labor is without employment, the wheels in the mills cease to turn, and upon every hand things are at a standstill; and the agriculturist suffers, the man in the city suffers, and all together. But it is not the deduction that is drawn by demagogy that financial institutions prosper as those others lie idle and as grass grows in the street.

TIME OPPORTUNE FOR CURRENCY REFORM.

The country, therefore, has a right to believe, has a right to demand, and none more so than those engaged in banking, that now that we have reached a point where needed remedial legislation can be had, that the country have it, and that there be no excuse, no plea for a more convenient season. We have looked for the convenient season. We have had expressions of future promises, and have had awakened feelings of future hope. That promise ought to bear fruition, and that hope find more expression than mere idle words, after all this struggle to prevent the debasement of the currency, after all this struggle to maintain the highest standard of integrity on the part of a people that claims to be of the highest standard of civilization, after all the embarrassment of a Treasury Department poorly equipped for the duties placed upon it and the requirement asked at its hand.

Certainly, the people, now that the power is about to be invested in Congress, ought to say, not to-morrow, and to-morrow, and to-morrow, but that as the power is within the hand, that power shall be exercised in such a way that all classes of the people in all parts of the country shall be benefited through legislation long demanded, long needed.

It may be it is possible, though I consider it extremely doubtful and highly improbable, that this nation may be benefited and uplifted and its evils at home remedied by assuming grave responsibilities, grave duties and grave dangers, abroad; but let the thing at home, which most affects the people at home, at least be given a fair opportunity with the things abroad. Let the currency of this country be placed upon a footing that none will doubt ever the integrity of the country. You have contributed something to the forces of civilization which cannot but work out as beneficial results as occupying new territories and assuming new responsibilities. It is possible, it may be wise to change the genius of our institutions, the long precedents of the people, for new things under the force, possibly, or foreordination or predestination, or something deemed inevitable, but there are things which are within ourselves, in accord with every precedent of American life, American institutions, American genius, which need remedying; and there is no excuse that can be given for postponing the remedying of them.

The Administration at Washington has more than once had evidence of the support of the American electorate. The Administration at Washington has called to its aid more than one citizen who did not accept or believe in the great majority of the tenets of the party which the Administration represents, because the question of the integrity of the American currency and the integrity of the nation's character was at stake. But having had that support, freely given, cheerfully made without promise or hint of promise, or desire of reward, certainly the men who gave it have a right to demand that the business interests of this country that make possible the Administration shall not be made secondary to some other undertaking which does not, except possibly to the detriment of the business of the country, involve this country.

The business interests of this country make no complaint of necessary taxes—no matter how heavy they may be, or how discriminating they may act. But, as a reward for that, let it be evidenced that this thing, above and beyond all others the thing that entered into the minds of the people in going to the ballot box in at least two elections, shall not be lost in the consideration of something else; and I have enough belief that those who have to do this will, both on the ground of patriotism and on the ground of extreme political exigency and political expediency, both working in harmony, have sufficient courage and sufficient purpose to invoke in behalf of the business interests of this country, which involve all of the people of the country, the 'Be it repealed' of Congress as to the legislation now upon the books, and the 'Be it enacted' of Congress as to legislation necessary to be placed upon the books which will give to this country a financial system second to none in the world, a Treasury Department thoroughly equipped for all its duties, a banking system which, under any and all circumstances, will be productive of benefits to all the people in all places and all times, so far as anything can benefit the people over and beyond their own efforts in the way of economy, in the way of reduction of extravagance, and in the way of a proper expenditure of the revenues."

A valuable paper on the subject of "Mortgage Banking" was read by Oren Taft, Jr., of the Pearsons-Taft Land Credit Co., Chicago.

The next paper was by Frank L. Powell, President of the National Branch Bank, Madison, on the subject of "Secondary Reserves for Banks." This paper will appear in a later number of the MAGAZINE.

These are the new officers elected:

President—C. T. Lindsey, Cashier Citizens' National Bank, South Bend, Ind.

Vice-President—D. A. Coulter, Cashier Farmers' Bank, Frankfort.

Secretary—S. A. Morrison, Assistant Cashier Fletcher National Bank, Indianapolis.

Assistant Secretary—A. M. Fletcher, Vice-President Fletcher National Bank, Indianapolis.

Treasurer—E. L. McKee, Vice-President Indiana National Bank, Indianapolis.

Executive Council—Hugo C. Rothert, Cashier Huntingburg Bank, Huntingburg, J. L. Bayard, President First National Bank, Vincennes; Hardin Roads, President Merchants' National Bank, Muncie; Oliver G. Soice, Cashier Plymouth State Bank, Plymouth; Mord. Carter, Cashier First National Bank, Danville.

Vice-Presidents-at-Large—J. P. Frenzel, President Merchants' National Bank, Indianapolis; Frank L. Powell, President National Branch Bank, Madison.

Delegates to Convention American Bankers' Association—C. T. Lindsey, Cashier Citizens' National Bank, South Bend; Mortimer Levering, Lafayette; S. A. Morrison, Assistant Cashier Fletcher National Bank, Indianapolis; A. G. Lupton, Cashier Blackford County Bank, Hartford City; George W. Applegate, President Bank of Corydon, Corydon.

PENNSYLVANIA BANKERS' ASSOCIATION.

The fourth annual convention of the Pennsylvania Bankers' Association met at Harrisburg November 10, continuing in session the following day.

Addresses of welcome were made by Hon. John B. McPherson and Hon. Daniel S. Seitz, and an appropriate response was made by the President.

President William Hackett, President of the Easton National Bank, delivered the annual address, part of which was as follows:

THE GRANTING OF CREDIT BY BANKS.

"There is no feature of the banking business on which success so largely depends as on the establishment of a system for ascertaining credits. Every banker will recognize the fact that loans are too often made on false representations, or from public opinion of a man's credit, and without any knowledge whatever of the extent to which that credit has been extended. While bankers have access to the reports of the commercial agencies and have the opportunity of examining the public records, it was deemed advisable to seek a new medium of information through uniform statements from borrowers, a form for which was prepared and its adoption urged upon all the members of the association, so complete in all its details and promising such great efficiency in its operation that it is to be regretted that our bankers did not accept this solution of a question so closely allied with successful banking and prudent methods of business.

In this connection, it may be said that there has probably, in banking experience, been nothing which has worked such injuries to the interests of the banker and has been such a serious obstacle to the collection of just claims against the debtor, as the practice of fraudulent confessions of judgment. In order to obviate this evil and to effect just and equitable settlements to all creditors, with discrimination in favor of none, Group VIII had an Act prepared, which was passed by the Legislature of 1897, under which the most effective means were provided for inquiry into the validity of judgments. In the several cases tried under the Act, the court held that certain of its features, and very important ones for its successful operation, were in conflict with the Constitution of the United States. Your counsel has had under consideration the advisability of preparing an Act, to be submitted to the next Legislature, which might meet the objections of the courts and might accomplish the purpose for which the Act of 1897 was drawn, but the passage by Congress of the Bankruptcy Act, which confers upon creditors certain rights in the event of confessions of judgment, the exercise of which will secure them fair and equitable treatment in the disposition of the debtors' estates, seems to render any further action in this direction unnecessary.

At this point it seems proper to give expression to the great loss the association has met in the death of our late associate and friend, Mr. William H. Rhawn. The success of the association and the high position it occupies are due very largely to his never-failing devotion and his unselfish interest in its welfare. Strong and fearless in his convictions of duty, kind and considerate in his relations with his fellow men, warm and steadfast in his friendships and unswerving in his devotion to the right, of him it can truly be said:

> 'His life was gentle, and the elements
> So mixed in him, that Nature might stand up
> And say to all the world, This was a man.'

One of the objects of the bankers' association is to elevate the tone of the profession and to increase the efficiency of the men employed in its service. It is important, therefore, that every man engaged in the business should not be merely a bookkeeper only familiar with the terms, debit and credit, possessed with the gift of adding long columns of figures, or quickly calculating maturity of notes and figuring out discounts, but also thoroughly conversant with the many questions that enter so largely in the proper understanding of such a complicated business as banking.

The legal profession requires a long study of the principles and practice of the law before a man is permitted before the courts of the country to espouse the cause or defend the rights of his client. The medical profession demands an extended course of study before the physician is clothed with authority to administer to the ills of suffering humanity. So that it would seem important that a profession like banking, the successful practice of which involves the ripest judgment, the clearest understanding of correct business principles, a knowledge of the legal and commercial questions, so inseparably connected with it, a most thorough acquaintance with human nature and a proper appreciation of the great responsibility of the humblest position, should insist upon a thorough education in the principles and practice of the profession of those to whom the duties and responsibilities of the business are to be intrusted.

The last year has been a remarkable one in the financial and commercial history of the United States and seems to have been a complete reversal of the records of preceding years. London has always been looked upon as the financial centre of the business world, and to that point we have always had to have recourse whenever the gold reserve was threatened or financial disturbance seemed to be impending. But the sale of our enormous crops last year in foreign countries placed them in debt to us, added to very largely by our enormous exports of other articles than the products of our soil. And in payment of the balance due us we have received fully one hundred millions in gold, while the difference between our imports and exports of merchandise will reach millions in favor of the latter. The result has been that, while Europe has been sending no gold in payment of her debt, many of her people have taken advantage of the financial situation and have become borrowers of American capital, through the medium of the credits arising from the balance of trade in our favor.

The chief menace to the financial situation is that of the unsettled condition of the currency question. It is not necessary for me to state at length the position of Pennsylvania bankers on this question or to give 'the reason for the faith that is in them.' It is sufficient to say that this Association has expressed itself in favor of the maintenance of the standard adopted by the leading commercial nations, so that every kind of money issued bearing the name of the United States shall have a fixed value in all the markets of the world.

On the question of the currency there is a great division of sentiment among the bankers in the matter of circulation, some favoring a continuance of the present system of circulation, secured by deposit of United States bonds, while others maintain that the only currency adapted to the demands of business is that issued on the assets of the banks; but all agree that it should possess the two requisites for a safe business medium, absolute security and elasticity, a security of such a character that it will be good in the hands of the people, whether misfortune may overtake or dishonest men may wreck the issuing bank; and so elastic that it will expand or contract as the business necessities of the country may demand.

We may safely assume that the sentiment of the country is decidedly adverse to the increase of the public debt for the purpose of furnishing a basis for bank circulation, and it may be equally asserted that the banks are not desirous of purchasing bonds at a premium for this purpose, as is evidenced by the fact that, although the National banks are authorized to issue upward of $560,000,000 of circulation, the total amount in circulation does not exceed $200,000,000. Congress does not seem disposed to permit circulation to par of bonds, or to lessen the tax thereon; the people seem opposed to further bond issues for circulation and the banks do not seem to demand it, as is evidenced by the figures above quoted. So that it would seem, if the policy of the nation favors the issue of circulation through the medium of the banks, that we will be forced to adopt a system based on security other United States bonds.

But whatever system is adopted, it must be looked to that the lien that depositors now have on the assets of the banks should be disturbed as little as possible, and whatever is taken from their security should be replaced by a security equally as good. The shareholders are but partners in the business, responsible for its good management, liable for its debts as well as participating in its profits; noteholders should be made as safe as under the present system, for the people will demand a currency of unquestioned value, free from fluctuations and not dependent in the slightest degree on the solvency of the issuing bank. The only creditor remaining is the depositor, who places his money in the bank through his faith in its solvency and the integrity of its officials, and every consideration of justice and fair dealing demands that his interests be protected to the fullest extent.

Permit me before closing to say that the Pennsylvania delegates to the Denver convention of the American Banker's Association, the largest delegation—thirty-eight in number—on the floor of the convention, were fully impressed with the great work accomplished by the national association and brought back with them most plesant recollection of Colorado's hospitality, and most favorable impressions of her wonderful resources. There were assembled at that convention delegates from every State in the Union, who gave most glowing reports of the resources of the States they represented and who indulged in most flattering promises for the future. But, above all, there was but one sentiment from all sections of the Union on the great question of maintaining the public credit unimpaired. No matter how much men may differ as to the best way to accomplish this end, we have the firm conviction that, although the demagogue may be abroad sowing discord and the false prophet may roam the land prophesying evil, a nation brave enough to set its face against tyranny and oppression on the American continent and generous enough to offer its blood and its treasure in defense of the downtrodden and oppressed, willnot permit itself to be torn asunder by internal dissensions, but will urge upon all sections of the country that exalted patriotism which teaches them to deal with each other in that patriotic, conservative spirit in which the very foundation of our Government was laid, and without which the heroic efforts of the fathers to form the Union of the States would have been in vain."

Secretary E. H. Reninger, of Allentown, read the annual report of the secretary, which showed a gain of but one member during the past year. Great interest in the work of the association was reported, however.

T. McK. Lloyd, of Pittsburg, presented the report of the treasurer, which showed a balance of $1,808 on hand.

Reports were next read from the several groups, a condition of general prosperity being indicated.

Hon. John C. Bullitt, of Philadelphia, delivered a very interesting address, speaking in part as follows:

"Mr. Chairman and Gentlemen—I am not a banker—have never had a bank of my own, nor have I been a President, Cashier, or other active officer of the bank of anyone else, but I have been connected with more than one financial institution, and have had such relations with them and with general business affairs as have afforded opportunities for observation and induced reflections which, in some sort, I will try to bring before you.

Past experiences, present conditions, and future indications are subjects to which a business man must thoughtfully address himself if he hopes to achieve success. Under the laws governing the moral as well as the physical world, there is no such thing as standing still. These laws may be working silently, and oftentimes, while still moving on, they may be unobserved and unrecognized until their forces have produced profoundly important effects.

The business of the banker necessarily involves a study of the operations of these laws as they apply to the interests in which he is concerned, and there is hardly any phase of human affairs beyond or foreign to the scope of inquiry and investigation in which he may not profitably engage.

To lend and invest money with due profit is an important function of the banker. But to do this judiciously he must inquire into the business of his customers. He must be frank and direct in his demands for information. He must require full statements of capital; how it is invested; what is the nature, extent, and cost of the plant; what is the volume of annual business; how much is due by solvent debtors; and how much is the amount of bills payable; how much there is in the shape of cash assets; and what are the average profits of the business.

He must go further, and examine into the nature of the business. Is it such as is likely to insure a permanent demand, or is it ephemeral in its character; does it meet some essential want of the community, or may it pass with the season or the changing of a prevailing whim or caprice? If the field of operation extends beyond the borough, or town, or city, or county, or State in which the business is located, then the banker must inform himself as to the situation and business conditions which may prevail in such more extended sphere, and as the scope of active relations broadens out, so does the necessity for investigation and information enlarge and widen. * * *

Again, loans to the customer are now largely made upon his own individual and unassisted credit. A depositor who keeps a fair account in a bank comes to the board, man-fashion, and says: "I keep an account of so much; I wish a credit based upon that deposit. He furnishes a statement of his affairs. If that is satisfactory, then the amount of his individual line is agreed upon, and he can at all times borrow up to it. The bank is benefited by the interest he pays and by the use of his desposit, and he has the use of that borrowed capital in his business. When this line of credit is once adopted, the customer is enabled to so shape his business with the view to it that he will be able to make his contracts and engagements with confidence, and not be embarrassed by apprehensions as to the sources upon which he is to rely for the means to meet his current obligations. The bank having made a thorough investigation, and having determined the amount of credit to which he is entitled, lends its money with confidence and freedom.

In doing this kind of business the bank must take care that the lines of credit established are in such proportion to its capital and the amount of its deposits as will enable it to make these loans, provided normal conditions of business will warrant them in so doing.

And just here there is an important subject of thought, growing out of the changed and changing methods and conditions of business generally.

The days of small things have passed, and are still passing away in business affairs. The large stores are absorbing the small ones. The large railroads are absorbing smaller connecting roads and branches. And so it is in all kinds of business affairs. This applies to the banks as well as to other institutions. A bank with a small capital can no longer compete with those which have a larger amount. With a large capital a bank is able to afford to its customers the facilities they require. This induces deposits, and as the deposits swell, lines of credit can be increased. Loans of $150,000 to a single individual are now no more than what $15,000 or $20,000 was twenty-five or thirty years ago.

Again, the profits on all kinds of business have had, and have now a tendency to diminish.

These conditions must be realized, and met by the bank that wishes to do business. Its success must depend upon the volume of its business, and not the high rate of profit to be realized. The rates for money in this country are rapidly approaching the level of those which prevail in England and upon the Continent. Three or four per cent. per annum is now becoming the settled rule of yield for investments, and the average rate of loans by banks can be but little in excess of that amount.

The banker now must be alert, and keenly alive to the operations and opportunities that present for the use of his funds, and he must loan his money in amounts adequate to the wants of his customers, and at rates of interest such as correspond more or less to the rates of profit realized from other investments of capital. There is no detail so small or minute as to be beneath him, and no conception so grand or imposing as to be above him.

No line of business life requires more active thought and greater sagacity than that which is needed for the conducting of a successful banking business. In times of prosperity loans and investments must be made with a view to promoting the general business of the community and the successful operations of the banking institution. In times of adversity and financial crisis the banker needs to be cool, collected, and possessed of his intellectual faculties in a way to meet whatever emergencies may spring up. * * *

The banker should cultivate what, for want of a better term of designation, I should call 'intellectual self-detachment.' This is power to suppress considerations of self, to eliminate preconceived ideas, and to discard partialities and prejudices from the mind while deliberating or reflecting upon a proposition that challenges determination, and upon which action must be taken. That judgment is worth most which is founded upon truth. Truth can be best attained by careful, thoughtful and searching investigation, which is free from bias, takes nothing for granted, and gives its just value to every factor that bears upon the subject. Minds warped by adverse preconceptions, or jaundiced by prejudice are illy fitted for working out the truth of any problem upon which they are allowed to shed their unhealthy influence. The mental vision must be clear and unobscured. Error in conclusion is but a legitimate result of looking through an imperfect or distorted medium. That which if clearly seen and properly understood would appear to be most advantageous may otherwise, to a timid imagination, be so set around with difficulties, and so magnified as to dangers, that the healthiest enterprises and opportunities may be neglected or thrown away. The banker who adheres stubbornly to the past, and refuses to mold the business and adapt it to changed conditions, by reason of his preconceptions and his prejudices, may perhaps keep the capital unimpaired, but he fails in his true mission. He does not promote the business of the community, and he sacrifices the interests of his stockholders by his unreasoning adherence to methods that are antiquated and that are neither prudent nor profitable.

The thought I am endeavoring to enforce does not involve the idea of adopting new methods merely because they are new. It is only that they should not be rejected for that reason. As the ordinary lines for the use of money become filled up, it behooves the banker to look out for new channels.

Research, investigation, inquiry, are the order of the day. Science is exploring the laws of nature and their action. Experimental effort is developing the results to be obtained from mechanical skill and the means of utilizing the elements that can be made subservient to the ends sought for. Commerce is expanding and enlarging its fields of operation. Time and distance are no longer impediments to its onward and outward course. Business activities are inspiring and energizing human effort in directions in which intelligent and judicious management have a promise of adequate reward. The banker should size up the situation. He should move with the procession. If he does not, the business world will pass him by. He must know and feel and appreciate the force of the impulses that are around him. He must live in the prevailing atmosphere and inhale its influences and learn the lessons which it teaches. This does not imply that he must become infatuated with schemes of the promoters and speculators who so abound everywhere. It does not mean that he must be any less circumspect in dealing with propositions that are brought before him. It does not relieve him from the duty of giving earnest and intelligent thought to the nature and character of the subject matter, so as to insure safety and soundness in investments. But methods in banking can become antiquated and unavailing, and, if persisted in, must eventuate in atrophy—a state of feebleness or debility commonly called 'dry rot,' and according to my observation this is by no means an unknown malady. No quality can be more valuable than that of conservatism. But valuable as it is, there is yet a tendency to beget bias and prejudice, and induce a blind adherence to past methods after they have ceased to be available or profitable. It is this against which I am contending.

The man who would be successful in business must have a power of adaptation. He must be able to mold and fashion that with which he deals so as to meet and conform to the wants, the needs and the interests of those who are to contribute to his success.

He must be able to discard preconceptions and prejudices as to that which has passed out of date, and to detach himself from them when they have become a clog upon good judgment and a stumbling-block in the way of propitious operations.

But while the mischiefs flowing from preconceptions and prejudices are to be deprecated and avoided, those resulting from misguided partialities are no less dangerous. In fact, if we are to be governed by actual experience, the tendency in that direction would appear to be much more prevalent and to be productive of far more disastrous consequences. No one cause has brought about more frequent or ruinous bank failures than the loan of money to friends of the officers of the bank. Friendship is not good security for discounts. It is worthless as collateral. It induces looseness and carelessness in business methods on the part of the borrower. It places the lender in his power. To save that which is in jeopardy, new loans must be made. Prospects and promises are held out as inducements for further and larger favors. They prove to be illusory. Worthless notes and due-bills are piled up one upon the other, and still the friendly borrower, like the daughters of the horse-leech, cries for more. No position can be more pitiable than that of a bank officer who has made improvident and unsecured loans to his friends.

He has reached the danger line before he was aware of it, and then he finds it too late to retrieve or retrace his steps. The friendship upon which he has relied as security has vanished into thin air. The credit of the bank is strained; money must be had. He resorts to means for relief that are dishonorable and perhaps criminal. This, however, is but temporary. The day of reckoning comes. Exposure is inevitable. And then follow disgrace and ruin, and not infrequently criminal conviction and a term in a penitentiary, or suicide, and if these are escaped, then the miserable existence of an outcast, that grows more wretched as it is prolonged. He is shunned by his former associates and friends. The earth has no resting place from his sense of self-abasement and mortification. This is no mere pen picture. The banks of the stream of financial history are lined with wrecks which stand out as monuments of such folly, crime and ruin. I have witnessed more than once in actual life scenes of distress which no words of mine could adequately portray—scenes the origin of which could be distinctly traced back to the weakness of overconfiding friendship and inability to resist its solicitations. Just here the principle of intellectual self-detachment comes in with potential force.

The position of the bank officer is one of high and honorable trust. The directors, the depositors and the stockholders confide in him. They seek his advice; they rely upon his judgment; they follow in his lead; they commit to him the control and management, in large part, of their most valuable interests, in generous reliance upon his integrity, his skill and his sagacity. They have the right to expect and to demand that he shall administer the trust confided to him free from the insidious and dangerous influences of friendship; that he shall be independent in his action; that his first—his controlling, his paramount—object and purpose and motive shall be to safeguard and protect the bank in its moneyed interests and in its financial integrity. He should be frank with his board; he should be frank with his customer—he should be just to himself and the duties devolved upon him—and, above all, he should preserve an attitude of absolute independence of all influences save those which will conduce to the advancement and welfare of the institution of which he is the trusted head. The money, the use of which he controls, is the property of others, and in lending it he should discard considerations of friendship as a delusion and a snare.

Political vs. Commercial Banking.

There is another phase of the banking business which appears to me worthy of attention, I allude to the subject of public deposits. If they are made without solicitation and on terms similar to those of other depositors, they are usually very desirable. They are likely to be large in amount, and the length of time they will remain can be reasonably well determined.

But in order to assign to them their just value, the manner of their coming and the side issues connected with them must be considered. Often the deposit is controlled by some large or small politician, who deals with it as one of his perquisites. This class of the modern politician is a somewhat unique animal. He has perhaps been brought up to some trade or profession. But by accident or by natural adaptation he has been in the Legislature of the State, or in some municipal body. There he has become educated for the real work of his life—that is, to know how to retain office or get a better one—how to subsist upon the credulity and good nature of his constituents—how to pick up franchises and other good things that may be lying about loose, He is a canny, knowing creature, and but little that concerns the public interest escapes him. He likes the luxury of a good hotel, and good wines, and is generous and bountiful when the bill is to be paid out of an appropriation. He is ready to take whatever comes to his hand. In time he aspires to pitch his tent in high places, and to swell among the magnates. When he reaches the point where he can control the deposit of State or municipal funds, his chance in life has come. He is ready to make the deposit where it will do the most good to—himself. He seeks a bank that will be facile and agreeable. He will make the deposit provided the bank will lend him and his friends the money they may wish for their business operations, or will allow him a profit in the way of interest, and if these side issues are accommodated, the bank gets the money. Then begins a career of stock speculation or other hazardous ventures, the bank taking the risk, and he and his friends making the profit. But shrewd as they may be, they are not usually as wise as Wall Street brokers, and not infrequently it happens that the losses are equal to a large part, if not the whole, of the deposit. The bank goes down, and the verdict of the bank examiner finds, 'Ruined by loans to politicians.'

This whole method of business is vicious. It is liable to breed scandal. It is corrupting, and derogates from the rules of safety and honesty. Do not understand me as maintaining that a bank should always refuse the deposit of public money. When offered in a fair, honest and upright manner, it should be accepted. But when it comes as a favor from a politician of the class to which I have referred, it should be viewed with suspicion and declined, unless the bank is left entirely free from all complications. Otherwise it will not be long before 'honors will be easy.' The bank will have the deposit, but the politician and his friends will have the money. It is not, and cannot, from the very nature of things, be safe to lend money to this class of borrowers. With them honor is but a myth—virtue and morals have no place in their code of ethics; they have no proper sense of public or private duty—they are adventurers seeking for sudden wealth, and unscrupulous as to the means of obtaining it; with them nothing is so sacred that it may not be a fit subject for barter and trade. It cannot be prudent or wise or safe to place a bank under obligations to men who are devoid of the common qualities which constitute the make-up of the reputable citizen and the reliable and substantial business man.

One further thought in this connection—the credit and reputation of a bank should be of its most cherished elements of value. If they are impeached its earning power begins to fade away. Among the things that affect public confidence, the establishment of close relations with politicians of shady reputations, taken with what is usually implied and inferred, may be ranked as one of the most pregnant and injurious. No well-conducted institution can afford to have such a shadow cast upon it, or to incur a risk which may prove so destructive of its credit and good name.

Further, the bank that cultivates the relations to which I have referred deserves to go down. It is degrading itself, and all who are connected with or interested in it. It is debauching to public morals. It is encouraging practices that are corrupting and far-reaching in their example and effect, and there does not appear to be an excuse or palliation or justification that can be offered by way of defense—not even the groveling pretext that profit can be made upon the deposit. And if I may be allowed to express that which appears to me not only right but expedient, it would be that when a bank is approached with any proposition that has the odor of such tortuous methods about it, the proper course would be promptly to turn it down, put away the unclean thing, and administer to the creature who proposed it a rebuke that would deter him from like audacity in the future."

At the second day's session the question of offering undue inducements to secure business was discussed, Robert E. James, President of the Easton Trust Co., leading the debate.

Charles F. Dean, Cashier of the Union National Bank, Pittsburg, spoke on the advisability of introducing the branch banking system into the United States, taking ground against the system. In concluding his remarks Mr. Dean said:

"The statement of September 20 shows that the aggregate resources of our National banks alone are $4,300,000,000, the first time in the history of our country when we have passed the four-billion line—something to be proud of.

Can any branch banking system show the same results in the same time?

A retrospective glance over the ground thus hastily gone over makes me feel that I shall have to take the negative on this question. If I find that the boasted Canadian system, closely modeled upon the granite-ribbed stock system, after a much longer period will not show such results as does our own plan at gathering up and utilizing the personal interest and influences of the clientage of separate banks, what other conclusion can we come to? It is too much to ask of men that they will promote the interest of others and neglect the opportunity to advance their own."

The safety of circulation based on assets was next discussed, being opened by Thomas P. Day, Cashier of the People's National Bank, Pittsburg, who said in part:

"There are many objections to the issuing of notes on assets, and a few of these which seem to be most prominent in the synopsis of the bill for currency reform are:

1. That it takes away the security of the depositors, for it says that the bank notes form a first lien upon the assets of the bank, and have behind them also the individual liability of the stockholders for assessments up to the amount of their stock; and then the bank is not only liable for its own circulation, but also an assessment for the redemption of other banks' notes, not to exceed 4 per cent.

2. The tax of one-quarter of 1 per cent. on the capital, surplus and undivided profits, which is also a part of the bill, would certainly keep the stronger banks—i.e., the banks with large surplus and undivided profits, out of the national system.

Take as an illustration of its enforcement one bank in New York city with a capital of $300,000 and surplus and undivided profits of over $7,000,000, and the tax on the capital and surplus would be 6 per cent. on the capital; and if it issued circulation to 60 per cent., which would be $180,000, the amount of tax would be 10 per cent. of the circulation, less the unimportant amount of a rebate of one-half of 1 per cent. of the amount of reserve notes issued by this bank, which would be $375, as compared with the tax of $18,000.

Another New York bank with a capital of $500,000 and surplus and undivided profits of $7,500,000—the tax on its capital would be 4 per cent. and on the 60 per cent. circulation ($300,000) over 6 per cent; so that the stronger the bank in accrued surplus the heavier the tax.

There are many banks all over the country with surplus and undivided profits many times the amount of their capital, and the circulation is of course based on the capital.

The bank without any surplus or undivided profits could carry the "Emergency Currency" on which there is a tax of 6 per cent. for less than the strong bank could issue the ordinary, so that the strong banks would not be National banks if such a law were passed.

As we all know, the bank note is not money, only a medium of exchange, a promise to pay, and its utility depends upon one vital condition, and that is, that it is as reliable and sure as the coin it represents. The instant there is any doubt its usefulness ends.

Any one who will look over the statements of the banks all over the country will see that many carry very little, if any gold, and if the plan of requiring them to carry so much gold, and to put up gold for the redemption of their notes, were adopted, that they would have to depend upon their reserve agents when they were called upon, especially if many of their notes should be presented for redemption, which would always be at a time when they would be least prepared to put up the gold, and that would only serve to make the conditions worse."

J. B. Finley, President of the Fifth National Bank, Pittsburg, took the opposite view. He said:

"This is a question that is a good deal like the question of taxation. Now, there were two or three points suggested by Mr. Day that might be considered. I think that, speaking of a bank with $300,000 capital and $7,000,000 surplus as an institution with $300,000 capital, is hardly fair. What is the capital of a bank? We may open accounts, and put them under different heads, but the capital of a bank is all that the bank has after paying its indebtedness. and that consists of what is called called capital stock, surplus and undivided profits. Now what is the use of talking about the capital of a bank as being the amount they have issued certificates for? You might as well talk about a man being worth $5,000 whose father died when he was twenty-one years old, and he went into business with $5,000 which he inherited from his father, and in fifty years after that he had made $100,000. Would you still say that the capital of that man is $5,000? Why, it would be preposterous. When we talk about the wealth of any one, why, we mean the value of all his assets. He is worth whatever he has after paying his indebtedness. So it is with a bank. When it comes to a question of taxation, you want to base it upon that idea, because that is the only fair basis. Take the taxation of banks where they have got to pay so many mills on their capital stock. Suppose it is four mills, and the capital stock is $100,000. That bank pays $400. Take an old bank that has accumulated $2,000,000 with its $100,000, and it pays $800. Now, what kind of taxation is that? Is not that unfair taxation? Should not that bank pay the same rate of taxation on the money invested in its business that the new bank pays? Why handicap the new bank?

When you talk about circulation you say that it takes away the securities of your depositor to issue circulation upon the bank's assets. Does it? Is that so? What do you do when you get circulation under the National Bank Act to-day? You take so much money out of your bank and give it to the United States Government. You invest it in Government bonds, and you indorse the bonds to the Government as security for your circulation. Isn't it taken from the depositors and from every creditor of the bank except the note holders? It is taken out just as much from the depositor as it could be if he had the money in your bank. If you say that this is not safe, why, you are saying to the community that your banks are not safe. You say that the depositor is not safe because he has not got United States bonds back of his deposit. It all depends upon the managers of the bank, and if the bank is successfully managed your assets are good; if it is mismanaged they are bad.

For my part, sir, I believe the bankers of the State of Pennsylvania—and the bankers of the entire country, too, and history will bear me out in the assertion—are judicious, honest and intelligent men who can invest their own money and the money of their depositors safely and return it dollar for dollar, and if you give them the power to increase their circulation you will have intrusted that power to a set of men trained in the business, who will use their best judgment and ability to the advantage of the people. What is emergency circulation? Is it to be confined to the cities that have clearing-houses and denied to the country banks in sections where there are no clearing-houses? Are the country banks to be told that they shall not have an opportunity to take care of themselves and protect their depositors and stockholders in time of panic, when the city banks have closed their doors against them and have said: 'We will only pay the drafts that you make upon us by certificates between ourselves, although the money we possess is yours,' and you cannot use those certificates in the country. If a depositor comes in and wants his money over your counter you cannot stamp his check payable only through a clearing-house; you have no clearing-house, and you must put up the cash. I started the bank that I am now running in 1873, when I was twenty-four years old, and I have gone through all the panics that have occurred since that time. In 1873 I had three correspondents fail. The other fellows shut their doors against me and wouldn't allow me to draw the money I had in their banks. We ran our bank, however, and we paid every man his money. The reason we did that was, not because we had all our money in our vaults, for we hadn't—we had some of it locked up in the city bank vaults and some of it was in banks that failed—but we had the confidence of the community and our depositors did not require of us every dollar of theirs, because they knew we were honest, and they believed we were able to lose even the money we had in the city banks, if need be.

Gentlemen, if you have not got the confidence of the people with whom you deal you cannot engage in the banking business, and the way to have that confidence is to maintain a strict, honest and fair manner of dealing with the people. Let them understand that you do not use the funds of the bank for private speculation, and let them understand also that you live within your income.

The two great causes of ruin to banks are the speculation of its officers and the excessive personal expenditures of some of its clerks. Don't speculate yourselves and see that your clerks follow your example. If you have an account in a bank where the President or the Cashier is a large borrower, draw your money out. A banker should be a loaner of money, not a borrower. Many banks have been started all over the country, I am sorry to say, for the purpose of gathering up the money of the neighborhood for the use of the officers of the banks; but that is not legitimate banking, and we do not recognize such men as bankers; they are scoundrels. The business of a bank is to loan money, and to receive deposits and safely keep them. All this talk about whether we should pay more or less interest will take care of itself. The payment of interest never ruined any bank. It might make the business unprofitable and drive the bank out of the field, and the man who does that sort of thing is not running his business in a proper way; but the bank will die of dry rot and will lose its own money."

Replying to Mr. Finley Mr. Day said:

"Mr. Finley did not grasp the statement I made, I think. I did not talk about tax on any surplus. That is all right. I spoke of when you put a tax on circulation and a tax on your capital and surplus. Anybody can see, it seems to me, that that is not fair or just. The tax is not on capital that I spoke against; it is the tax on circulation."

John J. Foulkrod, President of the Manayunk National Bank, Philadelphia, spoke as follows:

"Of course, Mr. Day's remarks were directed against this specific bill, but the broad question of the assets of a bank as a basis of circulation was not, as it seems to me, thoroughly brought out. Are not your assets as good as Government bonds? Don't we believe that the money we have invested that is loaned to carry drygoods or groceries, or wheat or corn, is just as good an asset as any Government bonds can be? I think it is better, because it represents property, a real thing. If circulation is based upon the actual property of the country passing from hand to hand, what better security could we have? If the bill is so arranged that it will represent real live assets and is based upon them, could there be a better basis than the general assets of a bank—assets that we believe are as good, if not better, than Government bonds?"

After the transaction of some routine business, the following resolution, offered by Mr. Foulkrod, was adopted:

"*Resolved*, That the following resolution, adopted by the convention held in Williamsport October 6th and 7th, 1897, be adopted by this convention.

Resolved, That we reaffirm our belief in the necessity for the maintenance of the existing gold standard of value, and for a speedy change in our system of currency legislation, to the end that the country may have a simple, uniform, stable and redeemable currency, sufficient in amount to meet the necessities of the whole country, and free from the attacks consequent upon the doubt as to the ability of the Government to maintain its credit."

Remarks on the Death of William H. Rhawn.

S. R. Shumaker, of Huntingdon: Since the last meeting of this association the dark angel of death has sought a shining mark and has called hence one of the founders of the Pennsylvania Bankers' Association. For the first time in the history of this association the chair of William H. Rhawn is vacant, and I think it is only fitting that the record of this convention should contain a suitable recognition of our loss, in addition to the tribute paid to Mr. Rhawn yesterday in the president's annual address. I therefore move that the published proceedings of this convention shall contain the portrait of Mr. Rhawn and a biographical sketch of his life. I think that it is the highest testimonial to his memory that our association can bestow.

Mr. FINLEY, of Pittsburg: In seconding the motion which has been made I desire to say that it was due to Mr. Rhawn more than to any other man that this association was organized. Indeed, on his shoulders the entire work of organizing the association devolved. He originated the idea, and it was brought to a successful conclusion by his energetic efforts.

Mr. KENDRICK, of Philadelphia: Mr. President and Gentlemen—A shade of sadness and sorrow pervades this assembly, and on each unvoiced lips are the words, William H. Rhawn dead! A simple word, but ah! its meaning carries with it the effect of the past, the present and the future. It seems only meet and proper that when such a man passes away from the duties of life, that those who knew him and loved him and fully appreciated his noble and generous qualities should meet and leave some record of their appreciation. William H. Rhawn's sterling qualities were well known to all with whom he was associated, not only in the city of Philadelphia, but throughout the United States. And, sir, I desire to pay a slight tribute to his memory and drop one little sprig among the many wreaths that cover his bier?

'Lo! all thy glory gone; God's masterpiece undone;
The last created, the first to fall,—
The noblest, frailest, godliest of all?'"

MR. FOULKROD, of Philadelphia: I also wish to join in seconding the motion that has been made and for a personal reason. It was through Mr. Rhawn's invitation that, as a boy, I went into the banking business, and he always took a great deal of satisfaction in saying that through him I went from a boy to President.

The motion was adopted unanimously.

Officers for the ensuing year were chosen as given below:

President—Henry C. Parsons, President West Branch National Bank, Williamsport.

Vice-President—Charles A. Kunkel, Cashier Mechanics' Bank, Harrisburg.

Secretary—D. Shelley Kloss, Cashier First National Bank, Tyrone.

Treasurer—John J. Foulkrod, President Manayunk National Bank, Philadelphia.

Delegates to American Bankers' Association—Richard L. Austin, President Independence National Bank, Philadelphia; Horace Lloyd, Cashier National Bank of Phœnixville; J. P. Pardee, President Hazleton National Bank; Hamilton B. Humes, President Jersey Shore Banking Co.; James Brady, Cashier First National Bank, Harrisburg; Samuel R. Shumaker, Cashier First National Bank, Huntingdon; A. J. Hazeltine, President Warren Savings Bank; Thomas P. Day, Cashier People's National Bank, Pittsburg.

Votes of thanks were passed to the retiring officers and to the bankers and citizens of Harrisburg for their hospitality. In the evening a banquet was given at which a number of witty speeches were made.

In bringing the last day's session of the convention to a close, the president said:

"It is with very great regret that I am not able to introduce the President-elect officially to this convention, though he needs no introduction to you personally, as he is unable to be here because of the fact that he has been suffering from a severe illness and was not able to leave his home to come to Harrisburg. Mr. Parsons has always been faithful in attendance at the conventions heretofore, and at all the meetings of the Council of Administration, and in every way possible has done all he could to further the interests of this association."

[Mr. H. C. Parsons, the president-elect, has died since the convention adjourned.—Editor MAGAZINE.]

IOWA FOR SOUND MONEY.—Gov. Leslie M. Shaw, of Iowa, recently declared that the Republican party should take an advanced and aggressive position on the money question. The New York "Evening Post" comments on his declaration as follows:

"It is a great gain to have such a State as Iowa in the Central West and such another as Oregon on the Pacific Coast fighting without gloves against financial dishonor, and refusing to make any kind of compromise with the advocates of depreciated money. The weak-kneed Republicans are already saying that the currency is good enough now, and that there is no need of an extra session of Congress or of any new legislation. It is a great satisfaction to know that Iowa does not intend to rest satisfied with half a victory or to leave the door open to new panics like that of 1893."

MINT REPORT FOR 1898.

The full text and statistical tables contained in the Annual Report of the Director of the Mint for the fiscal year ended June 30, 1898, will not be ready for publication for several months yet. Director George E. Roberts has furnished the BANKERS' MAGAZINE the following advance information from the report:

The deposits of gold bullion at the mints and assay offices of the United States during the fiscal year ended June 30, 1898, were the largest in the history of this country. Exclusive of re-deposits, they were of the value of $147,693,194 against $87,008,837 in the previous year. Only once before have the original deposits of twelve months exceeded the record of 1896-97, being in the year ended June 30, 1881, when the resumption of specie payments and a heavy favorable balance of trade caused extraordinary imports of foreign coin and bullion. The original deposits in that year were $130,833,102.

The most important events of the fiscal year in the world of government finance have been the consummation of the long-planned resumption of specie payments by Russia in gold, the reorganization of the monetary system of Japan with gold as the standard, and the refusal of the Government of India to coöperate with the Governments of the United States and France in an effort to establish bimetallism by international agreement.

The gold coinage of the world in 1897 was the largest recorded, amounting in value to $437,719,345, against $195,899,517 in 1896. Of the former sum, $146,622,194 was recoinage, and approximately $291,097,151 a net addition to the stock of gold coins. The principal coinage was by the United States, Great Britain, Russia, Germany, Austria-Hungary, France and Japan. The extraordinary coinage of the year is accounted for by the preparations of Russia, Austria-Hungary and Japan for their monetary reforms. In the case of Russia, particularly, gold which has been accumulating for years, much of it in bars, was passed through the mints to prepare it for circulation.

The completion of Russia's plans of monetary reform and the opening to the uses of commerce of her great gold reserve, systematically gathered year by year until it is the greatest single hoard of treasure the world ever saw, is in itself a most notable event. The demands of Russia for the purpose have been a steady drain upon the gold supplies of the world. Every coin that went into her reservoir dropped out of sight for the time as completely as though dropped overboard in midocean. On July 1, 1898, the Russian Treasury held over $70,000,000 of United States gold coins, $50,000,000 worth of English sovereigns, $27,000,000 worth of German gold coins, and $15,000,000 in francs, besides the coins she may have previously melted, and a great stock in bars. Now her reservoir is full, and what is added in the future will run over, unless she proceeds to fill another reservoir as a war treasury. It seems improbable that she will do this when there are so many ways in which the money can be spent or invested to develop the resources of her people, and thus add greater strength than by an idle hoard.

Throughout the world, among all peoples who are sufficiently civilised and ambitious to have international intercourse, there is manifest a desire to bring their own currencies into definite and stable relations with the money of the people with whom they trade. The exporter desires that the money with which he buys at home and the money for which he sells abroad shall have a common unit of value. The manufacturer who is competing in foreign markets desires that the money with which he buys raw material and labor at home and the money in which he must quote prices abroad shall have a relation to each other upon which he may rely and calculate. With him, months usually separate his investment in material from the final payment for his finished goods. His accounts receivable are due in the money of one country and his accounts payable in the money of another. If the monetary systems of these countries have no common unit, if each nation in ignorance or misled independence prefers "an independent system of its own," they will inevitably vary in value to each other, and the profits of the international transaction we are considering are subject to these variations. Such variations are therefore a barrier to trade between the countries. They constitute a risk, additional to all the ordinary contingencies affecting domestic trade, for which the trader must be reimbursed. Either the producer must sell his goods enough cheaper or the consumer must pay enough more to cover it.

It is to escape from such fluctuations of the Russian currency, which, in 1892, reached 9.6 per cent., and in 1891 28 per cent., that the Russian Government has fixed its paper money at the gold standard. For the same reason Austria-Hungary and Japan have lately done likewise.

For the same reason India closed its mints to the unrestricted coinage of silver, and has been struggling since to hold its rupee at the fixed value of 16 pence.

It is for this reason that even Peru, with its comparatively small foreign trade, has closed its mints to the unlimited coinage of silver, the preamble of its President's proclamation reciting: "Whereas, the variations in exchange resulting from the continual fall in the value of silver require the executive to take such steps as are within the range of his legal powers," &c.

It is for this reason that the Government of France, while friendly to an international agreement upon a bimetallic money standard, will not entertain any proposition that involves a possible separation of her own currency from the standard used by the other important commercial nations of the world.

That these fluctuations are inevitable to a currency not held to the international standard, and convertible on demand into the metal of that standard, is evidenced by the experience of the United States long after the stress and chances of war had ceased to affect its paper currency. Thus, in the year 1876, when no question of the stability or resources of the Government could have been involved, the range of our paper currency to gold was 8 per cent., in 1870 13 per cent., and in 1868 18 per cent.

It is apparent to any one familiar with modern business affairs that such fluctuations in their money as these are a burdensome handicap to the efforts of any people to build up a foreign trade. The business man who bids on a contract over his country's border does not want to add 18 per cent., or 13 per cent., or 8 per cent., or even one per cent., to allow for a possible variation in the relations of the two systems of money. Even one per cent. thus added might throw the contract to a competitor who did not labor under this disadvantage. The enterprising peoples of the world are not voluntarily assuming or remaining under conditions which put them at a disadvantage in the keen rivalry that salesmen find in every market. The enlightened judgment of the times condemns such a meaningless and burdensome restraint upon the exchanges.

Thus it is that the statesmen of all countries which have experienced the evils of an isolated and depreciated currency, without touch or connection with the monetary systems of other countries, are seen to be striving to rescue their people from that condition. In some instances they encounter grave difficulties, due to the poverty of their people. They may have to submit to disadvantages for a time, even as an embarrassed individual is unable to pursue the methods of his forehanded neighbor. Adverse conditions of trade and revenue may postpone or defeat their plans. But they all give testimony to the evils of their enforced condition, and make apparent their desire to join their more forehanded neighbors in the use of a common standard of value.

INTERNATIONAL BIMETALLISM FAVORED.

The theory that a fixed ratio between gold and silver could be maintained by an international agreement is based upon the assumption, scarcely to be contested, that the monetary use of these metals is a factor in their value. If this is true, the concerted exclusion of either one from the mints of all the more important countries of the world would have an influence to depreciate its value. If, then, an agreement should be reached between such nations to coin only at a certain ratio, and one metal should rise even slightly above that ratio, it would pass out of monetary use entirely. The cessation of that demand upon the dearer metal, the redoubling of it upon the cheaper, would tend to bring them together again.

A single nation, acting alone, is certain to lose the dearer metal entirely, and retain only the cheaper as its standard. Thus, for any country, under present conditions, to open its mints to the unrestricted coinage of both gold and silver at 16 to 1, or any thereabout ratio, would be for it to lose what gold it possessed, because that metal would surely go where it was rated higher. If, however, there was no country in the world where it was legally rated higher, there would be no place to which it might go for monetary use. Allowing that the ratio originally agreed to was approximately the market ratio, the valuation thus coinciding with the judgment of the commercial world, there seems every reason to believe that such an international agreement would accomplish its purpose. Even though one metal should become established in a value above the legal ratio and become merchandise, the currencies of all countries would retain their fixed relations to each other. No shock or distress would ensue, no nation would be isolated or sacrificed. They would all be together on a common plane, with a common measure of value. These are the considerations which have led many scientific students of finance and sagacious publicists to favor open mints to both metals under an international agreement, although each unalterably opposed to such a policy by his own country acting alone.

One of the chief ends for which, since 1873, the leading bimetallists of the world have persistently sought an international agreement has been to bring all the world to one standard of value. That end is not merely ignored, but contemptuously abandonod by those who insist that each country should have a standard all its own, or act without conference and without regard to the policies of other countries. All the forces of commerce, industry and civilization are moving the nations to more intimate relations with each other, and the demand for a common standard of value becomes steadily more imperative. Those who advocate monetary anarchy oppose forces that are irresistible.

Although the efforts of the commission were brought to an end by the refusal of the Government of India to join the movement, the Director considers the failure indirectly due to a growing feeling that the rapidly increasing product of gold has radically changed the situation from what it was ten years ago, when the gold product seemed to be at a standstill or declining. It has changed to indifference or opposition the attitude of many who then feared an appreciating standard, but who are quite as much opposed to a depreciating one.

World's Gold Production For 1898.

Great as was the world's production of gold in 1897, amounting to the value of $237,504,800 and exceeding that of 1896 by $34.822,500, it is, judging by the returns already at hand, certain that the product of 1898 will be still greater. The returns from South Africa for ten months show that at the present rate of production its yield will exceed the yield of 1897 by $21,852,000. The returns from Australia indicate that its product in 1898 will exceed the product of 1897 by $10,335,000. From July 15 last to Nov. 15 the receipts of gold at Seattle and San Francisco from the Canadian Yukon aggregated above $10,000,000, and on this basis the increased production for Canada in 1898 is estimated at $8,500,000. The increase in the United States can hardly fall below $5,000,000. The total of these estimates is $45,687,000, which added to the figures of 1897, would indicate a world's product in 1898 of $283,192,800, if the remaining countries in their aggregate are unchanged. The product of 1891, $130,000,000, will be more than doubled, and the combined value of the gold and silver product, valuing silver at $1.29 per ounce, ten years ago, exceeded by gold alone.

Discussing the increased yield of gold in recent years, the Director traces its disposition as follows. The world's production of gold in the last five years, according to the annual estimates of the bureau of the mint, has amounted to $977,622,100. The industrial consumption as annually estimated has been $279,197,816. Stocks of gold in European banks and Government treasuries from December, 1892, to December, 1897, increased $564,521,545, or over 40 per cent. The stock of gold in the United States Treasury and National banks increased in the five years $45,726,750. The gold holdings of the banks of Australia, Canada and South Africa increased about $25,000,000. Total gold thus accounted for, $957,946,1!1.

Illinois State Banks.

Resources.	Sept. 21, 1898.	June 27, 1898.	Increase or decrease.	
Loans and discounts	$84,174,926	$88,514,477	Dec.	$4,339,551
Overdrafts, secured and unsecured	250,881	251,602	Dec.	720
United States bonds, including premiums	1,916,058	941,190	Inc.	974,862
Other bonds and stocks, including premiums	18,335,240	15,679,672	Inc.	2,655,567
Cash on hand	20,181,632	17,056,230	Inc.	3,125,402
Due from other banks	30,309,495	30,793,224	Dec.	483,728
Checks and cash items	2,358,212	1,943,049	Inc.	415,163
Collections in transit	533,514	247,459	Inc.	286,055
Banking house	607,774	602,236	Inc.	5,537
Furniture and fixtures	229,077	239,693	Dec.	10,615
Other real estate	801,235	805,486	Dec.	4,251
Expenses, including taxes	258,809	294,601	Dec.	35,792
Totals	$159,956,854	$157,368,925	Inc.	$2,587,929
Liabilities.				
Capital stock	$17,148,000	$17,078,000	Inc.	$70,000
Surplus fund	7,270,699	7,105,488	Inc.	165,211
Undivided profits	3,522,064	3,879,892	Dec.	357,828
Dividends unpaid	7,271	18,808	Dec.	11,537
Savings deposits subject to notice	38,393,454	36,542,360	Inc.	1,851,094
Individual deposits subject to check	67,045,014	63,948,176	Inc.	3,096,838
Demand certificates of deposit	4,886,376	5,119,822	Dec.	233,445
Time certificates of deposit	8,278,116	9,472,016	Dec.	1,193,899
Certified checks	720,055	943,390	Dec.	223,335
Cashiers' checks outstanding	631,608	481,427	Inc.	150,180
Due to other banks	11,710,254	12,395,542	Dec.	685,288
Notes rediscounted	3,938	....	Inc.	3,938
Bills payable	340,000	384,000	Dec.	44,000
Totals	$159,956,854	$157,368,925	Inc.	$2,587,928

Number of banks September 21, 1898, 139; June 27, 1898, 140.

ANNUAL REPORT OF THE COMPTROLLER OF THE CURRENCY.

TO THE THIRD SESSION OF THE FIFTY-FIFTH CONGRESS.

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
WASHINGTON, December 5, 1898.

SIR:—I submit herewith in compliance with law my annual report on the operations of the Curency Bureau. This is the thirty-sixth annual report, and is for the year ended October 31, 1898.

CONDITION OF NATIONAL BANKS.

Since October 5, 1897, five reports of condition of National banks have been made as follows: December 15, 1897, February 18, May 5, July 14, and September 20, 1898.

Notwithstanding that the number of banks in operation on September 20, 1898, is less than at any date of report since December 19, 1890, the amount of individual deposits, loans and discounts, and total resources is greater than any time during the existence of the National banking system. On September 20, for the first time, the aggregate resources reached and exceeded the four billion dollar mark, the increase since October 5, 1897, being $298,377,337. A comparison of the last returns with those of October 5, 1897, indicates an increase during the year of $104,952,189 in loans and discounts; $79,194,380 in Government securities on deposit with the Treasurer of the United States to secure circulating notes and public deposits and the amount held by the banks; $57,304,827 in specie and legal tenders. The reduction of $25,465,000 in the amount of United States certificates of deposit for legal tenders results in a net increase of lawful money of $31,839,827.

The reduction of 25 in the number of banks reporting is accompanied by a decrease of $9,970,200 in capital stock and $4,436,904 in circulating notes outstanding. Necessarily the principal increase in the liability side of the statement is in individual deposits. On October 5, 1897, the deposits aggregated $1,853,349,128, and on September 20, 1898, $2,031,454,540, the increase being $178,105,411. The balance due other banks and bankers shows an increase of $52,627,388 and United States deposits of $59,023,019.

By reference to the foregoing table, it will be seen that loans and discounts, which on October 5, 1897, amounted to $2,051,009,438, show a material increase up to Februaay 18, 1898. The returns on May 5 show a decrease since the February report of $40,984,045. Compared with the amount on May 5, the increase on July 14 was $54,663,420, which was further increased on September 20 by $4,203,972.

United States bonds on deposit with the Treasurer of the United States to secure circulation have fluctuated between a maximum of $227,483,950 on October 5, 1897, and $212,425,300 on February 18, 1898, the amount on deposit on September 20 being $224,628,840, a reduction during the year of $2,855,110.

Specie held by the banks is greater at date of each report during the year than on October 5, 1897, when it stood at $239,387,702. The maximum holding was reached on July 14, being $335,677,130. Between that date and September 20 there was a decrease of $41,832,972.

Capital stock shows a steady but slight decrease since October 5, 1897. The changes in the surplus and other undivided profit accounts have been slight, although, as compared with October 5, the increase in both items during the year aggregate $5,818,205.

The circulation account was greatest at date of statement closing the last report year. The minimum amount outstanding was $184,106,322, on February 18, 1898. From that date there was a gradual increase during the balance of the year, but, as heretofore stated, the amount outstanding on September 20, 1898, was $4,436,904 less than on October 5, 1897.

Without an exception, there has been a material increase in individual deposits at date of each report during the year. Starting at $1,853,349,128, the account reached on September 20 an aggregate of $2,031,454,540, or, as heretofore stated, an increase during the year of over $178,000,000.

The liabilities of the banks on account of notes and bills rediscounted and bills payable were at the maximum on October 5, 1897, being $19,755,556. On February 18, 1898, these liabilities amounted to only about $8,000,000. Thereafter there was a steady increase to the close of the year, when the amount was $17,368,147.

Investigations and Recommendations Relative to Bank-Note Currency.

Section 333 of the Revised Statutes of the United States provides that the Comptroller of the Currency in his annual report to Congress shall suggest "any amendment to the laws relative to banking by which the system may be improved and the security of the holders of its notes and other creditors may be increased."

In suggesting some general amendments to the National Banking Law at this time, it is not the purpose of the Comptroller to review in detail the plans and propositions for the modification of our currency and banking systems which are now, and for some time have been, the subject of economic and general discussion throughout the country; but a reference to them and the principles underlying them is deemed imperative in view of the fact that in their present form they seem to ignore the interests of bank depositors, with whose protection the Comptroller is peculiarly charged.

The panic of 1893 having directed attention toward the dangers to the general commercial system, resulting from the disproportion between demand-currency liabilities of the Government, payable in gold, and the gold held in reserve by the Government for their redemption, as well as to the inelasticity of the present bank-note currency, the plans providing for a modification of the banking and currency systems which are now most discussed, may be considered as based upon the following propositions:

First—That the disproportion between outstanding currency liabilities of the Government payable in gold, and the gold held for their redemption, should be lessened by a contraction in the amount of these demand-currency liabilities.

Second—That the void in circulation, caused by such contraction, should be filled by an extension of the circulation of National banks, which circulation, redeemable in gold, is ultimately to depend for its chief security upon a first lien on the commercial assets of the issuing banks.

The more prominent of these plans, which may be considered as embodying in the ablest forms the general principles necessarily involved in a system of bank-note issues secured by the general assets of banks, look to the ultimate displacement of Government-credit money with bank-credit money, the latter eventually being secured by a first lien upon the assets of the issuing banks, and by a 5 per cent redemption fund created in the first instance by taxation upon solvent issuing banks and thus maintained. It is proposed that a first lien shall exist upon all the assets of any insolvent bank which may have issued currency until it has contributed to such fund, to be held by the Government as trustee, an amount sufficient to redeem its outstanding notes in full.

Upon any deficiency occurring in such contribution to the guaranty fund, due to a failure to collect from the assets of the insolvent bank, a sufficient amount to redeem its notes in full, resort is to be had to additional taxation upon solvent banks issuing circulation to supply the deficiency, one plan providing, however, that such tax shall not exceed 1 per cent on the amount of their note issues per year.

The assumptions which seem to underlie these plans are:

First—That unless we are to have a currency contraction, some radical extension of bank-note issues is absolutely necessary to the securing of the proper adjustment of Government currency liabilities to its gold reserve, by which adjustment the greater safety of the gold standard is subserved; and,

Second—That through this radical extension and change in the present form of bank-note issues alone, is elasticity to be secured in our currency.

As opposed to these propositions, and in connection with the data given and views expressed hereinafter, relative to changes in the present banking laws, the Comptroller desires to state that his suggestions are based upon the following assumptions:

First—That there is existing no such condition of the United States finances, revenues, or credit as to justify the proposition that the shifting of the burden of gold redemption of outstanding currency from the Government to the banks, is so important as to necessitate of itself radical changes and concessions in National-banking laws relative to the issue of notes, which changes and concessions would not be considered wise if the interests of the community, irrespective of Government finances, were alone considered.

Second—That if from considerations of general public policy, irrespective of governmental finances, bank-note issues secured only by commercial assets of banks seem unwise, that the resources, credit, and the financial condition of the United States are such that by means of revenue laws and other amendments to law suggested by the President in his last annual message, a safer ratio between its outstanding circulation and gold reserve can be attained, the stability of the present gold standard insured, and the currency maintained upon a sound basis without contraction.

It must be remembered, in connection with the discussion of changes in the present banking laws, that by far the most important function of the National banks is that of an acting middleman between the depositors and borrowers of a community, and that its note-issuing functions are secondary in importance and usefulness under the present, or any proposed system of bank-note issues.

It is especially important, therefore, in proposing changes in the laws governing the note-issuing powers of National banks, that the effects of such changes upon the relation of the bank to its depositors and borrowers, be carefully studied.

It is the belief of the Comptroller that the proposed preference of the note holder over the depositor, which is a fundamental basis of all these plans, is not only inherently wrong, and unjustified by any grounds of public policy, but that its practical effect upon the present relation of depositors to banks in the smaller communities of the United States would be so revolutionary as to bring about the most injurious conditions in the general business of the country.

The essential similarity between the liability of a solvent bank expressed by a deposit credit and by a bank note, is generally recognized and emphasized by those advocating these plans.

In view of this recognized similarity before the insolvency of a bank, the radical dissimilarity in their respective treatment when insolvency occurs, is justified by a course of reasoning which is believed to be fallacious.

It may be as sound in principle for a bank to issue bank notes as to take deposits, when the two classes of creditors stand upon the same basis in relation to the assets of the bank to which they have each contributed, but it is not as sound in principle when in case of insolvency, the creditor who claims under a note must be paid in full, before the creditor who claims under a deposit can receive anything.

Under these plans the dollar of the depositor, and the dollar of the note holder, side by side, would be invested by the officers in the assets of the solvent bank, since it is proposed to change the law under which at the present time the note holder's dollar from the first must be invested in Government bonds, to be held separately in trust for his protection.

Side by side, these dollars of depositors and note holders would be redeemed on demand without question by the solvent banks under the proposed system. Why, then, should the dollar claim of the depositor be paid nothing out of the assets of an insolvent bank until and unless the dollar claim of the note holder is paid in full?

In our judgment there is no relevant answer to this proposition save one, based upon grounds of general public policy, which admits the injustice to the depositor class, but justifies it by claiming the necessity for the Government and the community, of additional and different circulation than we have at present.

The claim that a difference so radical and fundamental as this, in the treatment of two classes of creditors, can be justified by the fact that the depositor generally deals directly with the bank and has the opportunity to inform himself as to the trustworthiness of it, whereas the notes are issued for general circulation and pass into the hands of those distant from the bank, and therefore unable to form an opinion as to its strength, is not one which will commend itself generally to practical men.

Experience demonstrates that in the banking business the detection of untrustworthiness in banks is, as a matter of fact, not one of the duties with which the depositor, as a general rule, charges himself. He has come to leave that to the officials of the National and State Governments; and while it may be true that as a class he ought to exercise greater discretion in his selection of banks for his deposits, it is equally true that as a class, he has come to have that confidence in the system which has made him comparatively indifferent under normal conditions to this duty.

Again, he is often compelled, by the very nature of his business, to be dependent upon the agency of banks at a distance in handling his funds, in which case he, like the note holder, could not investigate if he so desired.

Certainly the fundamental right to prefer in the distribution of the assets of an insolvent bank the note-holding class to the depositor class, should rest upon some broader ground than the assumed neglect of the depositor class to acquaint itself with the nature of the private business and internal management of banking institutions, whose proper supervision the National Government, as the representative of the depositors and the public, has taken upon itself.

The lien given to the note holder under the present system, first upon the Government bonds deposited expressly in trust as security for said notes, before other assets of the bank can be reached, is far different in practical effect from the general and unqualified priority in lien upon the assets of a bank proposed in these plans.

The priority of lien of the note holders under the present system over the depositor, is first upon the United States bonds deposited in trust for his benefit, and only secondarily, in case of deficiency in bonded security, upon the general assets of the bank. In practical operation this security gives the notes the unquestioned credit necessary to enable them to circulate, and at the same time does not, as a matter of fact, interfere with the rights of the depositor in case of insolvency, since the bonds at public sale bring the amount of the notes, and return to the insolvent bank for the benefit of general creditors, practically all the equity originally invested in them.

This being the practical effect of the present bank-note system, it can not rightfully be considered as justifying any assumption that in its theory the rights of note holders are considered as more sacred in themselves than the rights of depositors.

Under the present system the relation of the note issues of a National bank to its general business, is somewhat the same as the relation of the issue and redemption department of the Bank of England to its commercial department. They are in reality almost entirely separate, and so intended to be.

If under any new system the note holder and the deposit holder come into similar relations to the bank, their rights against the common assets, to which their money has alike contributed, should be equally sacred.

If, then, there is no inherent moral right to establish a preference of the note-holding creditors of an insolvent bank, as against the deposit-holding creditors, in the distribution of the assets of an insolvent bank, the question arises, does public policy demand, in the interest of the common good, that such a preference should be given in order to establish a bank-note system which will give banks such a profit, that to secure it they will relieve the United States Treasury of the burden of gold redemption, and afford the country a circulating medium having alleged advantages over that now in use?

In order to determine this question, actual data at command must be examined critically in order to understand the nature and extent of the wrong done the depositor class by this preference, and the consequent effects of this wrong upon the community at large and its business.

Statistics have been quoted to show that the burdens which will be imposed upon depositors by such a preference will be light: but the force of these figures, so far as their being a guide to the probable economic effect of the proposed laws is concerned, is immediately lost when it is noted that in them no distinction is made between the rate of loss of the depositors in different communities, and between the rate of loss of the depositor in the small banks, and that of the depositor in large banks. They err in assuming that the percentage of loss will be ratably distributed.

The Comptroller presents herewith a series of tables which indicate more exactly upon what class of depositors the real burden of this preference will fall with almost crushing weight.

These tables give approximately the loss which under the proposed plan would result to depositors from the preference of note-holders over deposit-holders in case of insolvency, based upon the showing made by the 195 insolvent National banks whose affairs have been finally closed during the existence of the system.

For the purpose of these tables it is assumed in the case of each class of insolvent banks, that their officers would have made the same proportionate losses upon the commercial assets in which the notes issued were invested, that they actually did upon the assets in which the deposits and capital of the banks were invested.

To the good assets of these different classes of insolvent National banks, as shown by the records of this office, has been added the amount which would have been realized from the unsecured notes issued, if loaned or invested with the same rate of loss as was made upon the money invested in the actual assets.

From the assets thus increased, there is subtracted ninety-five per cent. of the preferred-note issues proposed (to wit, the par of the notes less the five per cent. redemption fund held by the Government), which leaves the amount which would then go to the depositors and other unsecured creditors.

This amount, in terms of percentage of their total claims, is then compared with the percentage of their claims actually received, and the loss which would be caused by the preference is thus approximately disclosed in the difference.

The tables give these results bearing upon the interests of depositors in banks according to geographical sections, and according to the following classifications of capital: \$50,000, \$100,000, \$200,000, \$300,000, \$500,000, and banks with a capital exceeding \$500,000.

As under the proposed plans circulation, eventually secured only by bank assets, might be taken out in different amounts, these amounts have been assumed to be sixty per cent., eighty per cent., and 100 per cent. of the capital of the bank, showing what the loss to the depositors would approximately be in each of these instances.

As illustrating the method of preparing the tables, we will take the case of a bank of \$100,000 capital, which has failed, and upon final liquidation has paid its depositors fifty per cent. upon claims of $200,000, to wit, the sum of $100,000. Under the plan proposed assume this bank had issued in notes, secured by a first lien upon its assets, an amount equal to sixty per cent. of its capital, to wit, the sum $60,000.

Since in investing $300,000, to wit, $100,000 capital and $200,000 deposits, it has lost the sum of $200,000 and has remaining but $100,000, to wit, one-third of its original assets, we assume that of the $57,000 circulation which the bank had to invest in commercial assets (to wit, the $60,000 circulation less $3,000 representing the five per cent. redemption fund held by the Government) it would have lost the same proportion, and have left of that investment but one-third in good assets, to wit, $19,000. We add, therefore, to the $100,000 actually paid depositors, the sum of $19,000, giving $119,000 for distribution between depositors and note holders. But, as under these plans, the note holders are preferred for the full amount of their $60,000 notes, of which but $3,000 is in the redemption fund, there must be subtracted from this $119,000 the sum of $57,000, leaving for the depositors only $62,000, as against $100,000 which they received under the present system, without any burden of note preferences upon common assets. As $62,000 is but thirty-one per cent. of their total claims of $200,000, upon which under the present system they received $100,000 dividends, or 50 per cent., it follows that their loss, directly traceable to the preferences, would amount to nineteen per cent. of the face of their deposits.

Of necessity these tables, based as they are upon hypothesis, can be considered only as approximately indicating the losses which depositors may expect; but that they furnish a conservative estimate of these losses is believed.

They do not take into consideration the possibility of unusual losses in general bank assets, through an inflation of the currency and resultant speculation brought about by an abnormal increase in the number of National banks.

This increase might be caused by private and State banks and trust companies entering the system for the sake of the profits arising from the currency privilege. These plans provide for a circulation secured by the commercial assets of banks up to a limit of 100 per cent. of the capital of the bank, with an increasing tax as the limit is reached.

In this connection it is well to remember that an insolvent bank, as a general rule, will have made every effort before closing its doors to avail itself of the currency privilege to the full limit allowed by law in the effort to avert suspension of payments.

Of the 195 National banks which have been finally liquidated these tables show in reference to the rate of loss experienced in investments:

That ten banks in the New England States with combined capital of $2,571,300 have paid cash dividends of $9,626,055 on $11,508,426 of claims proved, or 83.61 per cent. These banks had total nominal assets of $17,195,440, of which $10,207,324 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 59.36 per cent.

That fifty banks in the Eastern States, with a combined capital of $9,155,600, have paid cash dividends of $14,469,195 on $18,399,239 of claims proved, or 78.64 per cent. These banks had total nominal assets of $31,135,897, of which $17,260,498 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 55.44 per cent.

That thirty-three banks in the Southern States, with a combined capital of $4,775,000, have paid cash dividends of $6,611,266 on $10,111,715 of claims proved, or 65.38 per cent. These banks had total nominal assets of $15,263,365, of which $6,808,364 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 44.61 per cent.

That forty-four banks in the Middle States, with a combined capital of $9,122,000, have paid cash dividends of $7,996,983 on $11,167,256 of claims proved, or 71.61 per cent. These banks had total nominal assets of $24,153,212, of which $11,796,392 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 48.84 per cent.

That forty-four banks in the Western States, with a combined capital of $3,382,000, have paid cash dividends of $2,195,061 on $3,552,511 of claims proved, or 61.79 per cent. These banks had total nominal assets of $9,308,471, of which $3,083,292 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 33.12 per cent.

That fourteen banks in the Pacific States, with a combined capital of $1,725,000, have paid cash dividends of $1,644,705 on $2,628,811 of claims proved, or 62.56 per cent. These banks had total nominal assets of $5,687,777, of which $2,538,605 were collected in cash or by offsets or otherwise, the proportion of valuable assets to nominal assets upon final liquidation being 44.63 per cent.

That the total of 195 banks, with a combined capital of $30,730,900, have paid cash dividends of $42,543,265 on $57,367,958 of claims proved, or 74.16 per cent. These banks had total nominal assets of $102,744,162, of which $51,694,475 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets upon final liquidation 50.31 per cent.

Of the 195 National banks which have been finally liquidated, these tables further show in reference to the rate of loss experienced in investments:

That sixty-six banks of $50,000 capital each, and total capital of $3,280,000,* have paid cash dividends of $2,859,618 on $4,424,173 of claims proved, or 64.64 per cent. These banks had total nominal assets of $8,733,255, of which $3,465,334 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 39.68 per cent.

That sixty-one banks of $100,000 capital each, and total capital of $5,634,000, have paid cash dividends of $6,262,487 on $9,891,337 of claims proved, or 63.31 per cent. These banks had total nominal assets of $18,034,196, of which $7,584,130 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 42.05 per cent.

That a total of the above 127 banks, having a combined capital of $8,914,000, have paid cash dividends of $9,122,105 on $14,315,515 of claims proved, or 63.72 per cent. These banks had total nominal assets of $26,767,453, of which $11,049,464 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 41.28 per cent.

That thirty-seven banks, of $200,000 capital each and total capital of $6,355,600, have paid cash dividends of $7,321,036 on $9,211,743 of claims proved, or 79.47 per cent. These banks had total nominal assets of $17,743,526, of which $7,895,811 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets upon final liquidation, 44.48 per cent.

That sixteen banks of $300,000 capital each and total capital of $4,850,000 have paid cash dividends of $6,866,897 on $9,042,533 of claims proved, or 75.94 per cent. These banks had total nominal assets of $16,369,761, of which $8,629,562 collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 52.72 per cent.

That nine banks of $500,000 capital each, and total capital of $4,800,000 have paid cash dividends of $12,441,201 on $16,558,208 of claims proved, or 75.13 per cent. These banks had total nominal assets of $23,402,985, of which $15,321,625 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 65.47 per cent.

That six banks of $500,000 capital or over each, and total capital of $6,811,300, have paid cash dividends of $6,792,026 on $8,239,930 of claims proved, or 82.43 per cent. These banks had total nominal assets of $18,455,487, of which $8,798,513 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 47.67 per cent.

That the total of sixty-eight banks with capital of $200,000 or over each, and total capital of $21,816,900, have paid cash dividends of $33,421,160 on $43,053,413 of claims proved, or 77.62 per cent. These banks had total nominal assets of $75,976,709, of which $40,645,011 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 53.50 per cent.

These tables further show that the depositors of the ten insolvent National banks, having a combined capital of $2,571,300 and nominal assets of $17,195,440, with cash dividends paid to depositors of $9,626,065, or 83.64 per cent., situated in the New England States of Maine, New Hampshire, Vermont, Massachusets, Rhode Island and Connecticut, would have lost by preference of the note holders in case of an issue of uncovered notes equal to 100 per cent. of their capital, 8.62 per cent. of their deposits more than under the present system, or 10.30 per cent. of their dividends; in case of note issues of eighty per cent. of their capital, 6.90 per cent. more, or 8.25 per cent. of their dividends; and in case of circulation of sixty per cent. of their capital, 5.17 per cent. more, or 6.18 per cent. of their dividends.

The depositors of fifty insolvent banks, having a combined capital of $9,155,600, nominal assets of $31,135,897, with cash dividends paid depositors of $14,469,195, or 78.64 per cent., situated in the Eastern States of New York, New Jersey, Pennsylvania, Delaware, Maryland and District of Columbia, would have lost by preference of the note holders with a 100 per cent. note issue, 21.06 per cent. more than under the present system, or 26.78 per cent. of their dividends; with an eighty per cent. note issue, 16.85 per cent. more, or 21.42 per cent. of their dividends, and with a sixty per cent. note issue, 12.64 per cent. more, or 16.07 per cent. of their dividends.

The depositors of thirty-three insolvent banks, having a combined capital of $4,775,000,

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*One bank of $30,000 capital included which failed before the full $50,000 capital required by law had been paid.

nominal assets of $15,263,365, and with cash dividends paid depositors of $6,611,266, or 65.38 per cent., situated in the Southern States of Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky and Tennessee, would have lost by preference of the note holders with 100 per cent. note issue, 24.85 per cent. more than under the present system, or thirty-eight per cent. of their dividends; with an eighty per cent. note issue, 19.88 per cent. more, or 30.41 per cent. of their dividends, and with a sixty per cent. issue, 14.91 per cent. more, or 22.80 per cent. of their dividends.

The depositors of forty-four insolvent banks, having a combined capital of $9,122,000, nominal assets $24,153,212, and with cash dividends paid depositors of $7,996,983, or 71.61 per cent., situated in the Middle States of Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Missouri, would have lost by preference of the note holders, with 100 per cent. issue, 39.70 per cent. more than under the present system, or 55.44 per cent. of their dividends: with an eighty per cent. note issue 31.76 per cent. more, or 44.35 per cent. of their dividends; and with a sixty per cent. issue 23.82 per cent. more, or 33.26 per cent. of their dividends.

The depositors of forty-four insolvent banks, having a combined capital of $3,382,000, nominal assets of $9,308,471, and with cash dividends paid depositors of $2,195,061, or 61.79 per cent., situated in the Western States of North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Colorado, New Mexico, Oklahoma, and Indian Territory, would have lost by preference of note holders, with a 100 per cent. issue 60.49 per cent. more than under the present system, or 97.89 per cent. of their dividends (being their total dividends, except 1.30 per cent. of par of claim); with an eighty per cent. issue 48.39 per cent. more, or 78.31 per cent. of their dividends; and with a sixty per cent. issue 36.29 per cent. more, or 58.73 per cent. of their dividends.

The depositors of fourteen insolvent banks, having a combined capital of $1,725,000, nominal assets of $5,687,777, with cash dividends paid depositors of $1,644,705, or 62.56 per cent., situated in the Pacific States of Washington, Oregon, California, Idaho, Utah, Nevada, and Arizona, would have lost by preference of note holders, with a 100 per cent. issue, 34.51 per cent. more than under the present system, or 55.16 per cent. of their dividends; with an eighty per cent. issue 27.61 per cent. more, or 44.13 per cent. of their dividends; with a sixty per cent. issue 20.71 per cent. more, or 33.10 per cent. of their dividends.

Thus it will be seen that, as compared with the rate of loss to the New England depositor through the preference of the note-holders in cases of insolvency, the issues of uncovered notes being either 100 per cent., eighty per cent., or sixty per cent. of the capital, the depositor in the Eastern States will lose at a rate of nearly two and one-half times as great; the depositor in the Southern States at a rate nearly three times as great; the depositor in the Pacific States at a rate four times as great; the depositor in the Middle States at a rate over four and one-half times as great, and the almost obliterated depositor in the Western States at a rate over seven times as great.

These tables also show that the depositors of the sixty-six insolvent banks of $50,000 capital, having a combined capital of $3,280,000,* nominal assets of $8,733,255, with cash dividends paid to depositors of $2,859,618, or 64.64 per cent., would have lost by preference of the note holders, in case of an issue of uncovered notes equal to 100 per cent. of the capital, 42.49 per cent. more than under the present system, or 65.73 per cent. of their dividends; in case of a note issue of eighty per cent. 33.99 per cent. more, or 52.58 per cent. of their dividends; and in case of sixty per cent. issues, 25.49 per cent. more, or 39.43 per cent. of their dividends.

The depositors of sixty-one insolvent banks, with a capital of over $50,000 and not exceeding $100,000, aggregating $5,364,000, nominal assets of $18,034,198, with cash dividends of $6,262,487, or 63.31 per cent., would have lost by preference of the note holders, in case of issue of uncovered notes equal to 100 per cent. of the capital, 31.35 per cent. more than under the present system, or 49.52 per cent. of their dividends; and in case of note issue of eighty per cent., 25.08 per cent. more, or 39.61 per cent. of their dividends; and in case of sixty per cent. issues, 18.81 per cent. more, or 29.71 per cent. of their dividends.

The depositors of thirty-seven insolvent banks, with a capital over $100,000 and not exceeding $200,000, aggregating $6,355,600, nominal assets $17,748,526, with cash dividends paid of $7,821,036, or 79.47 per cent., would have lost by preference of note holders in case of an issue of uncovered notes equal to 100 per cent. of the capital, 36.39 per cent. more than under the present system, or 45.79 per cent. of their dividends; and in case of note issues of eighty per cent., 29.11 per cent. more, or 36.63 per cent. of their dividends; and in case of sixty per cent. issues, 21.83 per cent. more, or 27.47 per cent. of their dividends.

The depositors of sixteen insolvent banks, with a capital over $200,000 and not exceeding

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* One bank of $30,000 capital included, which failed before the full $50,000 capital required by law had been paid.

$300,000, aggregating $4,350,000, nominal assets of $16,369,761, with cash dividends of $6,866,897, or 75.94 per cent., would have lost by preference of the note holders in case of an issue of uncovered notes equal to 100 per cent. of the capital, 21.61 per cent. more than under the present system, or 28.46 per cent. of their dividends; in case of note issues of eighty per cent., 17.29 per cent. more, or 22.77 per cent. of their dividends; and in case of sixty per cent. issues, 12.96 per cent. more, or 17.06 per cent. of their dividends.

The depositors of nine insolvent banks, with a capital over $300,000 and not exceeding $500,000, aggregating $4,300,000, nominal assets of $23,402,985, with cash dividends of $12,441,-201, or 75.13 per cent., would have lost by preference of the note holders in case of an issue of uncovered notes equal to 100 per cent. of the capital, 8.51 per cent. more than under the present system, or 11.33 per cent. of their dividends; in case of note issues of eighty per cent. 6.81 per cent. more, or 9.06 per cent, of their dividends; and in case of sixty per cent. issues 5.11 per cent. more, or 6.80 per cent. of their dividends.

The depositors of six insolvent banks, with capital exceeding $500,000, aggregating $6,-811,300, nominal assets of $18,455,487, with cash dividends of $6,792,026, or 82.43 per cent., would have lost by preference of the note holders in case of an issue of uncovered notes equal to 100 per cent. of the capital, 41.10 per cent. more than under the present system, or 49.86 per cent. of their dividends; in case of note issues of eighty per cent. 32.88 per cent., or 39.89 per cent. of their dividends; and in case of sixty per cent. issues 24.66 per cent. more, or 29.92 per cent. of their dividends.

From the tables which we have given it is evident that from the depositors in smaller National banks of from $50,000 to $100,000 capital, and from the depositors of the newer sections of the country, the greater amount of the cost of this radical experiment in currency must be collected. Thus upon those depositors least able to endure loss must the heaviest losses fall.

The assumption of the friends of these proposed plans, that the uncovered currency privilege will be availed of in those communities where there is now an alleged scarcity of the circulating medium, may be correct.

But this is only another statement of the fact that those banks which will most readily issue notes, are in those communities where statistics show there now occurs the largest proportion of bank failures. In other words, in those communities in which bank depositors have already sustained the greatest percentage of losses, they are to be subjected to still greater losses by having their claims against an insolvent bank made subject to the prior lien of note holders.

In cases of insolvency the records of this office show that, as a rule, those banks pay the smallest dividends to general depositors which at the time of failure have their bills receivable largely collateraled to bills payable, which they have issued for borrowed money.

In effect a bank which would issue these notes collaterals its entire assets to its note issues.

Under the laws of competition, the large city banks would gradually receive a larger proportion of deposits of the country, as the effects of the increased percentage of loss to depositors of smaller banks was perceived by the general public. The tendency to hoard money in smaller communities would also be stimulated. One of the purposes of the proposed laws, which is to enlarge the circulation in those districts where it is now scanty, would be thwarted by the ultimate effect of the laws in decreasing in rural communities the deposits, which, while at the command of the depositors, can still be loaned to borrowers and circulated in the form of checks and drafts under the safe and prescribed limits of ordinary banking.

The statistics given in the table showing the record of insolvent banks upon the final liquidation, indicate that the safety of the depositor from the prior lien of the note holder, generally would increase as does the ratio of deposits to capital. This is due to the nature of the assets held by the insolvent banks with large deposit lines, which have yielded larger returns proportionately upon liquidation than the assets which have been held by the smaller insolvent banks.

The large banking institutions of the great cities have invariably the largest average ratio of deposits to capital. Those locations where deposits are smallest, and therefore where there would be the greatest incentive to the taking out of increased circulation, are those where the depositors would suffer the most severe losses, because of this unjust prior lien of note holders upon the assets of insolvent banks.

The measure will stimulate in still greater degree the tendency of the money of the country to flow to the great money centers, where to fewer institutions, as time and competition progress, would pass the management and control of the savings and capital of the country.

We cannot agree to the wisdom of any measure which accelerates the centralization of capital in the great cities, and which, by separating in location those who lend money from the many who use it, will encourage the growth of commerce only in the form which has a tendency to crush out general business individualism.

The temporary effect of such plans might be different, but this ultimate effect is inevitable.

The effect of the passage of such laws would at first be a great stimulus to the business of banking, especially in the West and South. It would probably be followed by the change from the various State banking systems of a very large number of private and State banks, which would be anxious to avail themselves of the currency privilege. The right to issue such currency would give them an advantage over banks organized under National Banking Law as it is at present, and its effect upon the plans of those interested in the organization of new National banks would be to lessen the estimate of the amount of probable deposits to be received, which would be considered as sufficient to justify the starting of the bank.

Whether a bank which could issue sixty per cent. or more of its capital in notes subject only to nominal tax, which notes it could loan at ordinary commercial rates, and not be compelled to invest in low-rate Government securities, as in effect under the present system, would or would not take out its full quota of such notes under the law, would be determined somewhat by the status of its deposit line. If its deposit line was so large as to tax the ability of its management to loan the amounts currently intrusted to it, it might not be the policy of such a bank to take out its authorized currency, although it would be profitable for a smaller bank in the same community to do so. But throughout the West and South, and in the smaller banks of the cities throughout all the country, it may safely be assumed that the profits from the exercise of the currency privilege would at first be eagerly sought.

It is urged in behalf of these plans that they follow the bank-note systems of other countries, which have proved successful; but these arguments fail to lay hold of the fundamental differences in principal and environment of the European system of note issues from those under consideration. In the older sections of this country the note issues of banks, as provided for by these plans, would perhaps be so inconsiderable as compared with their general business and deposits as not to interfere materially with the usefulness of the bank in its relation to depositors and borrowers, but, as we have endeavored to show, in the newer sections of the country this would not be the case. The United States covers a vast territory, embracing every variety of climate and natural resources. These natural resources, however, are not evenly distributed, nor is the acquired wealth and banking capital of the country thus distributed.

As compared with England, Germany, France, Russia, Austria, and the older European nations, with their few great State banks and centralized business, which are the product of the evolution of centuries of financial experience and competition, there are in this country more then 3,600 National banks, scattered throughout its vast domain, surrounded by the most differentiated business and natural environments, and dealing with most dissimilar classes of customers and collaterals.

The advantages of our distributed system of banks over the central governmental banks of Europe are such that we can well afford to recognize its disadvantages in connection with proposed currency issues.

In the bank-note issues of the older European nations, in case of insolvency, the note holders would enjoy no preference over the deposit holders. They would share ratably in the assets. To give the credit which enables the notes of these great banks to circulate, restricted by stringent laws as they are, no injustice to depositors such as is proposed in these plans for the United States, is necessary. In one country only, Canada, are the note holders preferred over the depositors in case of insolvency. The note-issuing banks of Canada are but thirty-eight in number, with a combined circulation of about $38,000,000.

We can not accept as safe any deductions drawn from the bank-note system of these few central institutions of eastern Canada, which would tend to justify the application of the laws governing that system to the 3,600 National banks of this country.

The Comptroller desires to call attention, as a summary of his views upon the proposed plans, to these propositions:

First—As a fundamental proposition, any bank-note system depending for security upon the commercial assets of banks, and sanctioned by government, should be inherently fair in its relation to the deposit-holding creditors and the note-holding creditors of an insolvent bank.

Second—No system is inherently fair which creates a preference of the note holder over the deposit holder, in the distribution of the assets of an insolvent bank.

Third—In none of the older countries, to the success of whose uncovered note systems we are referred as tending to justify the experiment in this country, is the note holder by the law preferred over the deposit holder, in case of insolvency of banks of issue. Canada, with its thirty-eight central banks of issue, as compared with 3,600 scattered National banks in this country, furnishes the only exception to this rule.

Fourth—The necessity of the preference under any such system in this country, to give security and credit to the notes, demonstrates that it is the depositors of the country, and not the banks, upon whom the great weight of the guarantee of the note issues must fall.

TABLE I.—CAPITAL, ASSETS, CLAIMS PROVED, DIVIDENDS PAID; THE TOTAL REAL UPON FINAL LIQUIDATION OF INSOLVENT NATIONAL BANKS, THE AFFAIRS OF GEOGRAPHICAL DIVISIONS.

Geographical divisions.	Number of banks.	Capital.	Total assets.	Claims proved.	Dividends paid.	
					Amount.	Per cent.
New England	10	$2,571,300	$17,195,440	$11,508,426	$9,626,055	83.64
Eastern	50	9,155,600	31,135,897	18,399,239	14,469,195	78.64
Southern	33	4,775,000	15,263,365	10,111,715	6,611,266	65.38
Middle	44	9,122,000	24,153,212	11,167,256	7,996,983	71.61
Western	44	3,382,000	9,308,471	3,552,511	2,195,061	61.79
Pacific	14	1,725,000	5,687,777	2,628,811	1,644,705	62.56
Total	195	30,730,900	102,744,162	57,367,958	42,543,265	74.16

TABLE II.—CAPITAL, ASSETS, CLAIMS PROVED, DIVIDENDS PAID; THE TOTAL REAL FINAL LIQUIDATION OF INSOLVENT NATIONAL BANKS, ARRANGED BY CLASSES,

Class.	Number.	Capital.	Total assets.	Claims proved.	Dividends paid.	
					Amount.	Per cent.
$50,000	66	$3,280,000	$8,733,255	$4,424,178	$2,859,618	64.64
$100,000	61	5,634,000	18,034,198	9,891,367	6,262,487	63.31
Total	127	8,914,000	26,767,453	14,315,545	9,122,105	63.72
$200,000	37	6,355,600	17,748,526	9,211,748	7,321,036	79.47
$300,000	16	4,350,000	16,369,761	9,042,532	6,866,897	75.94
$500,000	9	4,300,000	23,402,935	16,558,203	12,441,201	75.13
Over $500,000	6	6,811,300	18,455,487	8,239,930	6,792,026	82.43
Total	68	21,816,900	75,976,709	43,052,413	33,421,160	77.62
Grand total	195	30,730,900	102,744,162	57,367,958	42,543,265	74.16

STATES EMBRACED WITHIN THE GEOGRAPHICAL

New England: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut. Southern: Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mis Wisconsin, Minnesota, Iowa, Missouri. Western: North Dakota, South Dakota, Nebraska, Kansas Oregon, California, Idaho, Utah, Nevada, Arizona.

Classification by capital stock is as follows: First division includes banks of $50,000; second, over and not exceeding $300,000; fifth, over $300,000 and not exceeding $500,000, and sixth, over $500,000.

Fifth—A fairer system would provide that, when a Receiver took charge of an insolvent bank, he should not first pay into the general redemption fund held by the Government, an amount derived from the assets of the bank sufficient to pay the note holders in full before paying anything to depositors, but he should pay into the fund that *pro rata* share of the proceeds derived from the assets, which should go to the note holders, not as preferred creditors, but as creditors in the same class as depositors.

The tax upon the solvent banks for the currency privilege should not then be limited to not exceeding one per cent. per annum of their annual note issue, or in any other amount, but should be made sufficiently large to provide for the deficit whatever it should prove to be.

Sixth—If under such a system, owing to causes to which we have referred, the tax upon the solvent banks would be so large as to render the issue of such currency unprofitable and unattractive to the banks, it would be a demonstration of the radical difference in the environment and condition of our banking system as compared with the more centralized and older systems of Europe. It would be a demonstration of the fact that, under the proposed

IZED FROM ASSETS, AND THE RATIO OF VALUABLE ASSETS TO NOMINAL ASSETS WHICH HAVE BEEN FINALLY CLOSED, 1865 TO MAY, 1898—CLASSIFICATION BY

Geographical divisions.	Offsets, dividends, etc.				Ratio of valuable assets to nominal assets upon final liquidation.
	Offsets allowed.	Dividends paid from assets.	Loans paid and other disbursements.	Total realized from assets.	
					Per cent.
New England	$1,361,106	$8,459,272	$386,946	$10,207,324	59.36
Eastern	2,980,153	11,881,870	2,398,475	17,260,498	55.44
Southern	705,499	5,625,641	477,224	6,808,364	44.61
Middle	2,878,784	6,875,456	2,042,152	11,796,392	48.84
Western	578,852	1,470,922	1,033,518	3,083,292	33.12
Pacific	594,573	1,452,295	491,737	2,538,605	44.63
Total	9,098,967	35,765,456	6,830,052	51,694,475	50.31

IZED FROM ASSETS, AND THE RATIO OF VALUABLE ASSETS TO NOMINAL ASSETS UPON THE AFFAIRS OF WHICH HAVE BEEN FINALLY CLOSED, 1865 TO MAY, 1898.

Class.	Offsets, dividends, etc.				Ratio of valuable assets (represented by offsets, dividends, etc.), to nominal assets upon final liquidation.
	Offsets allowed.	Dividends paid from assets.	Loans paid and other disbursements.	Total realized from assets.	
					Per cent.
$50,000	$551,975	$2,268,559	$644,800	$3,465,334	39.08
$100,000	1,231,329	5,259,575	1,093,226	7,584,130	42.05
Total	1,783,304	7,528,134	1,738,026	11,049,464	41.28
$200,000	1,342,693	5,858,655	693,963	7,895,311	44.48
$300,000	1,367,693	5,716,873	1,544,996	8,629,562	52.72
$500,000	3,550,958	11,506,301	264,366	15,321,625	65.47
Over $500,000	1,054,319	5,155,493	2,588,701	8,798,513	47.67
Total	7,315,663	28,237,322	5,092,026	40,645,011	53.50
Grand total	9,098,967	35,765,456	6,830,052	51,694,475	50.31

DIVISIONS REFERRED TO IN TABLES.

Eastern: New York, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia. sissippi, Louisiana, Texas, Arkansas, Kentucky, Tennessee. Middle: Ohio, Indiana, Illinois, Michigan, Montana, Wyoming, Colorado, New Mexico, Oklahoma, Indian Territory. Pacific: Washington,

$50,000 and not exceeding $100,000; third, over $100,000 and not exceeding $200,000; fourth, over $200,000

legislation, while the banks would take the profits upon the circulation, the depositors would take the bulk of the losses.

It would be a conclusive demonstration of what we believe to be the fact that, under our banking system as at present organized, the absolute safety of notes secured only by commercial assets and issued to the extent proposed in these plans, can be secured only by resort to a grave injustice upon depositors, which can not be justified upon any grounds of public policy.

Seventh—Such a system of uncovered notes as this proposed, providing for a preference of the note holders over the other creditors, would interfere radically with the more important functions of National banks, to which the note-issuing function is secondary and subordinate.

This would be against public policy, and would operate against banking in the smaller communities, and in the western, southern, and central portions of our country.

Eighth—The Government of the United States is not in such straits in connection with its present currency system, as to compel it to enter into a plan of currency changes, by which it in effect sells extended and valuable currency privileges to the National banks of

TABLE III.—ESTIMATED LOSS TO DEPOSITORS OF INSOLVENT NATIONAL BANKS, WITH CIRCULATION A PREFERRED CLAIM—ISSUES EQUALING 100, 80, AND 60 PER CENT OF CAPITAL—CLASSIFICATION BY GEOGRAPHICAL DIVISIONS.

Geographical division, by States.*a*	Number of banks.	Per cent of dividends actually paid depositors on claims proved, as shown by preceding tables.	Circulation.	Dividends actually paid depositors on claims, as shown by preceding tables, increased by receipts which would be received from circulation, less 5 per cent fund, in the same ratio as that of valuable assets to nominal assets shown in preceding tables.	Dividends which would remain after deducting circulation (less 5 per cent fund) as a preferred claim from dividends on claims and receipts from circulation, as shown by previous column.	Per cent of dividends which would be paid on claims proved, after deducting circulation, less 5 per cent fund.	Per cent of loss on claims by preference of proposed circulation, being the difference between the percentage of dividends actually paid depositors on claims proved, and the percentage which would be paid on claims after deducting proposed circulation.	Percentage of loss upon the amount actually received by depositors, which would result from preference of proposed circulation.
			100 per cent of capital.					
New England	10	83.64	$2,571,300	$11,076,062	$8,633,327	75.02	8.62	10.30
Eastern	50	78.64	9,155,600	19,291,260	10,593,446	57.58	21.06	26.78
Southern	33	65.38	4,775,000	8,634,887	4,098,637	40.53	24.85	38.00
Middle	41	71.61	9,122,000	12,229,408	3,563,503	31.91	39.70	55.44
Western	44	61.79	3,382,000	3,259,173	46,273	1.30	60.49	97.89
Pacific	14	62.56	1,725,000	2,376,079	737,329	28.05	34.51	55.16
Total	195	74.16	30,730,900	56,866,875	27,672,520	48.24	25.92	34.95
			80 per cent of capital.					
New England	10	83.64	2,057,040	10,786,060	8,831,872	76.74	6.90	8.25
Eastern	50	78.64	7,324,480	18,326,852	11,368,596	61.79	16.85	21.42
Southern	33	65.38	3,820,000	8,230,162	4,601,162	45.50	19.88	30.41
Middle	44	71.61	7,297 600	11,382,923	4,450,203	39.85	31.76	44.35
Western	44	61.79	2,705,600	3,046,350	476,030	13.40	48.39	78.31
Pacific	14	62.56	1,380,000	2,229,804	918,804	34.95	27.61	44.13
Total	195	74.16	24,584,720	54,002,151	30,646,667	53.42	20.74	27.97
			60 per cent of capital.					
New England	10	83.64	1,542,780	10,496,059	9,030,418	78.47	5.17	6.18
Eastern	50	78.64	5,493,360	17,362,437	12,143,745	66.00	12.64	16.07
Southern	33	65.38	2,865,000	7,825,438	5,103,688	50.47	14.91	22.80
Middle	44	71.61	5,473,200	10,536,438	5,336,898	47.79	23.82	33.26
Western	44	61.79	2,029,200	2,833,528	905,788	25.50	36.29	58.73
Pacific	14	62.56	1,035,000	2,083,529	1,100,279	41.85	20.71	33.10
Total	195	74.16	18,438,540	51,137,429	33,620,816	58.61	15.55	20.97

a See foot note, Table I.

the country, in exchange for assistance from them in meeting its present governmental currency obligations payable in gold.

Ninth—If the present conditions of governmental currency demand reforms, to secure which will entail cost, it is better for the Government, as the representative of all the people, and under all the circumstances connected with our banking system, to pay an ascertained and exact cost direct, than to endeavor to evade it by granting extensive currency privileges to banks, which of necessity must reimburse themselves from the community and the depositor class for any cost which they incur in assuming the burden of gold redemption, or maintaining the credit of their notes.

The most serious objection which is urged against our present system of bank-note currency, is its inelasticity and inability to respond to the pressing demands and necessity for an increase of circulation in times of enforced liquidation due to a commercial and banking panic.

Under normal business conditions and in normal times, the inelasticity of the present note issues of banks causes but small inconvenience, though at certain seasons of the year,

TABLE IV.—ESTIMATED LOSS TO DEPOSITORS OF INSOLVENT NATIONAL BANKS, WITH CIRCULATION A PREFERRED CLAIM—ISSUES EQUALLING 100, 80, AND 60 PER CENT OF THE CAPITAL STOCK—CLASSIFICATION OF BANKS BY CAPITAL STOCK.

Class of banks.	Number of banks.	Per cent of dividends actually paid depositors on claims proved, as shown by preceding tables.	Circulation.	Dividends actually paid depositors on claims, as shown by preceding tables, increased by receipts which would be received from circulation, less 5 per cent fund, in the same ratio as that of valuable assets to nominal assets shown in the preceding tables.	Dividends which would remain after deducting circulation (less 5 per cent fund) as a preferred claim from dividends on claims and receipts from circulation, as shown by previous column.	Per cent of dividends which would be paid on claims proved, after deducting circulation, less 5 per cent fund.	Per cent of loss on claims by preference of proposed circulation, being the difference between the percentage of dividends actually paid depositors on claims proved, and the percentage which would be paid on claims after deducting proposed circulation.	Percentage of loss upon the amount actually received by depositors, which would result from preference of proposed circulation.
			100 per cent of capital.					
$50,000	66	64.64	$3,280,000	$4,096,046	$980,046	22.15	42.49	65.73
$100,000	61	63.31	5,634,000	8,513,129	3,160,829	31.96	31.35	49.52
Total	127	63.72	8,914,000	12,609,175	4,140,875	28.93	34.79	54.59
$200,000	37	79.47	6,355,600	10,006,658	3,968,838	43.08	36.39	45.79
$300,000	16	75.94	4,350,000	9,045,551	4,913,051	54.33	21.61	28.46
$500,000	9	75.13	4,300,000	15,115,650	11,030,650	66.62	8.51	11.33
Over $500,000	6	82.43	6,811,300	9,876,625	3,405,890	41.33	41.10	49.86
Total	68	77.62	21,816,900	44,044,484	23,318,429	54.16	23.46	30.22
Grand total.	195	74.16	30,730,900	56,653,659	27,459,304	47.87	26.29	35.45
			80 per cent of capital.					
$50,000	66	64.64	2,624,000	3,848,761	1,355,961	30.65	33.99	52.58
$100,000	61	63.31	4,507,200	8,063,000	3,781,160	38.23	25.08	39.61
Total	127	63.72	7,131,200	11,911,761	5,137,121	35.88	27.84	43.69
$200,000	37	79.47	5,084,480	9,469,533	4,639,277	50.36	29.11	36.63
$300,000	16	75.94	3,480,000	8,609,820	5,303,820	58.65	17.29	22.77
$500,000	9	75.13	3,440,000	14,580,760	11,312,760	68.32	6.81	9.06
Over $500,000	6	82.43	5,449,040	9,259,705	4,083,117	49.55	32.88	39.89
Total	68	77.62	17.453.520	41,919,818	25,338,974	58.86	18.76	24.17
Grand total.	195	74.16	24,584,720	53.831,579	30,476,095	53.12	21.04	28.37
			60 per cent of capital.					
$50,000	66	64.64	1,968,000	3,601,475	1,731,875	39.15	25.49	39.43
$100,000	61	63.31	3,380,400	7,612.872	4,401,492	44.50	18.81	29.71
Total	127	63.72	5,348.400	11,214,347	6,133,367	42.84	20.88	32.77
$200,000	37	79.47	3,813,360	8,932,409	5,309,717	57.64	21.83	27.47
$300,000	16	75.94	2,610,000	8,174,089	5,694,589	62.98	12.96	17.06
$500,000	9	75.13	2,580,000	14,045,870	11,594,870	70.02	5.11	6.80
Over $500,000	6	82.43	4,086,780	8,642,785	4,760,344	57.77	24.66	29.92
Total	68	77.62	13,090,140	39,795,153	27.359.520	63.55	14.07	18.13
Grand total.	195	74.16	18,438,540	51,009.500	33,492,887	58.38	15.78	21.28

when crops are to be moved, banks in certain sections of the country are compelled to rediscount their paper somewhat to supply the needed currency. The demand, however, is usually readily supplied by the banks of the East, and the growing wealth of the West and South is rapidly bringing about a more even distribution of capital and consequently of currency.

We have at present in this country an enormous volume of what may be called bank-credit currency, based upon the assets of our banks, and consisting of checks, drafts, and bills of exchange. This volume of bank-credit currency expands and contracts in accordance with the demands of trade and business under normal conditions, and is the medium through which the great bulk of the business of our country is transacted.

It is extremely elastic, and varies in amount at different seasons of the year. It is generally amply adequate to the business needs of the country, except in times of disturbed confidence and financial panic.

In France and Germany and other countries, where the check and draft system is not developed as it is here, there exists the greater need for large and elastic bank-note issues. In England, where the check and draft system is so well developed, we find more strict provisions regarding uncovered note issues. The Bank of England issues no notes unsecured either by the deposit of gold bullion or a Government debt. Since the law of 1844, the other banks of issue of England, Scotland, and Ireland can emit no more uncovered notes than the amount in existence at that time. The right to issue uncovered notes is thus limited, and the combined issues of uncovered notes of the banks of England, Scotland and Ireland is comparatively small.*

The enormous growth of the business of England since the enactment of the law of 1844 has developed no such need of uncovered notes as to have brought about a reversal of that restrictive legislation. While in this country, with its extended system of banks and its great development of the check and draft system, some degree of elasticity in bank-note issues is desirable, it is not essential that it should be an amount so large as to make necessary for its security an injustice upon the depositor, and thus, by interfering with the check and draft system, defeat one of its own prime objects.

The general principles and regulations under which such elasticity might be obtained, are not in any way inconsistent with the principles and arguments we have endeavored to set forth. As covering these general principles, and as a conclusion from the views hereinbefore expressed, the Comptroller would make the following recommendations in regard to the present laws governing the issue of National bank notes:

First—The existing bank-note system, based upon deposit of Government bonds as security, should not now be abandoned.

Second—For the purpose of allowing elasticity to bank-note issues to protect the banks and the community in time of panic, a small amount of uncovered notes, in addition to the secured notes, should be authorized by law under the following limitations: They should be subjected to so heavy a tax that they could not be issued in normal times for the purpose of profit, but would be available in times of emergency. The tax should be so large upon the solvent issuing banks as to provide a fund which, in connection with the *pro rata* share of the assest of an insolvent bank, would be sufficient to redeem the notes in full, without necessitating any preference of note holders over depositors of any insolvent issuing bank. The tax should be so large as to force this currency into retirement as soon as the emergency passes.

Such a currency could be used only to lessen the evil effects of the too rapid liquidation of credits which are collapsing under a financial panic, but could not be profitably used as a basis of business speculation and inflation. It should be to the business community what the clearing-house certificates are to our cities in times of panic—a remedy for an emergency, not an instrument of current business.

[For the tables hereinbefore referred to, see pages 972, 973, 974 and 975.]

National Bank Examiners.

The character of the work performed by the National bank examiners, is most important in its relation to all sections of our country, and to all classes of our people.

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* *Fixed issues of the Bank of England and of the other banks of issue in the United Kingdom in December, 1897.*

[London "Bankers' Magazine," January, 1898, page 119.]

	Number.	*Circulation.*
England, Bank of	1	£16,800,000
England, private banks	38	1,374,376
England, joint-stock banks	31	1,762,961
Scotland, joint-stock banks	10	2,676,350
Ireland, joint-stock banks	6	6,354,494
Total	86	£28,968,181

The average issues for the four weeks ended on December 4, 1897, of the joint-stock and the private banks of England and of Wales were £1,470,898, or £1,666,439 below the fixed amount.

The average issues of the joint-stock banks of Scotland and Ireland for the four weeks ended on November 27, 1897, were £14,863,261, or £5,831,417 above the fixed issues. These banks held in specie during the same period £9,702,888, leaving uncovered £5,158,373 of their issues.

For the proper conduct of the work of supervision of our National banks, examiners must be men of the highest personal character, and extended business experience. They should be men who possess some skill in accounting, and at the same time the business judgment to enable them to intelligently pass upon the lines of credit extended by banks under their supervision.

The appointment by the Comptroller to these important positions of competent and able men, is one of the most sacred duties of his office. To protect by every possible safeguard their independence and disinterestedness, is equally important. With this latter object in view, the Comptroller has forbidden the practice which he found in existence in some of the larger cities, of the employment of the examiners by banks of their district in special examination work for the benefit of the bank, and not for the Comptroller's office. This practice had a tendency to interfere with the rigid impartiality which should characterize the work of a Government official.

During the year the Comptroller has extended over the cities of New York, Boston, Philadelphia, and Baltimore the system of semi-annual visitations by examiners, in force in all other sections of the country. He has utilized, with some benefit, the examiners in investigations into the credit of heavy debtors of banks, where such indebtedness constituted a menace to the safety of the banks, and where, despite the criticisms of the Comptroller and the efforts of the bank officials, no material reductions in the amount of the indebtedness could be had.

The necessity for such investigations sometimes arises, and whenever they have been made, the result has been most beneficial.

The verification, by more extended investigation than is possible in the ordinary examination of a bank, of the *ex parte* statements of interested officials, as to the safety of large, permanent, and unreducible loans, sometimes becomes of vital importance in determining the course of the Comptroller in closing a bank or allowing it to remain open.

For the purposes of this work he recommends an increase in the annual fund provided for examinations of bank-note plates, and for compensation of examiners engaged in special examinations, of $2,000, making the fund $3,000 instead of $1,000, as at present.

Limitation of Loans.

One of the most important reforms needed in the present National Banking Law, is a proper provision limiting the amount which can be loaned to any one individual or corporation, in order to insure a general distribution of loans, and to prevent an improper concentration of a bank's funds in the hands of a few borrowers. The provision of the present National banking law designed to carry into effect this important principle is as follows:

Sec. 5200. The total liabilities to any association 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 of such association actually paid in. But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed.

Almost as if in admission of the fact that this provision is unscientific, and ill adapted to carry into practical effect the great principles of protection to depositors and shareholders, subserved by generally distributed and safe loans, the present law provides no specific penalty against individuals which the Comptroller can apply for violations of this section in the making of excessive loans, where such violations do not affect the solvency of the bank, nor justify the appointment of a Receiver.

A United States court, under the general provisions of the law providing for the forfeiture of the franchises of a bank for any violations of the banking Act, might adjudicate the question of fact as to such violations, but could apply no other remedy than forfeiture of franchise.

Since the institution of the National banking system the violation of this provision has been common; and the Comptroller, though allowing no known violation to escape his written protest, finds great practical difficulty in his endeavors to enforce this requirement.

On September 30, 1896, the date of the last call by the Comptroller for statements of condition of National banks, 1,124 banks, constituting nearly one-third of the entire number of banks in the system, reported loans in excess of the limit allowed by Section 5200, Revised Statutes of the United States.

The principles underlying the present provision of the law are as valuable to depositors and shareholders in their application to the banks of the larger communities, as to the banks of the smaller communities; but the observance of this provision, while not interfering with the current requirements of either the banks or the public in smaller communities, proves an almost insurmountable obstruction to the business of our larger cities.

The present need is for an amendment to this provision, which, while compelling, under penalties, the safe and proper distribution of loans of larger banks, will enable them to loan more nearly the same per cent. of their total assets which the present provision allows to small banks. In this way the officers of larger banks can supply the proper needs of the larger communities without disregarding the law, and the Comptroller can hold them under personal penalty to strict observance of the amended law, which when disregarded would indicate improper distribution of loans, something which infractions of the present provisions in the case of many banks does not necessarily indicate.

The greater ratio borne by banking resources to banking capital in the larger communities, as compared with the like ratio in smaller communities, is responsible for the defective and unequal working of the present provision.

The average ratio of resources to the average capital of the forty-seven National banks in the city of New York is as eighteen is to one; of the seventeen National banks in Chicago as 10.2 is to 1; of the six National banks in St. Louis as 7.3 is to 1; of the 257 National banks in other reserve cities as 6.6 is to 1; while in 3,255 country banks the ratio is but as 4.7 is to 1.

The law limiting loans to ten per cent. of the capital, when applied to the 3,255 banks of the smaller communities of the country, as a whole, would allow the loaning of 2.14 per cent. of their total assets to one individual. As compared with this, the banks of the city of New York, on the average, could not loan over fifty-six one hundredths of one per cent. of their total assets to any one individual; the banks of Chicago not over ninety-eight one-hundredths per cent. of their total assets; the banks of St. Louis not over 1.4 per cent. of their total assets; the banks of other reserve cities not over 1.51 per cent. of their total assets.

In other words, the proportion of their assets which the country banks of the United States can loan, in strict compliance with Section 5200, to one individual, is sixty-three one-hundredths of one per cent. greater than the 257 banks in the reserve cities, seventy-four one-hundredths of one per cent. greater than in St. Louis, over twice as great as in Chicago, and nearly four times as great as in the city of New York.

This provision as it stands at present constitutes an incentive to the making of loans the larger in proportion to the total assets of banks in smaller communities, where, as a rule, large loans which are safe are the most difficult to secure; while in the larger business centers ef the country, where commercial conditions create a certain demand both from banks and borrowers for large and safe loans, its effect is the reverse to such an extent as to be injurious.

A bank with smaller loans, is not necessarily a bank with the more distributed and safe loans. A bank with $100,000 capital and $100,000 deposits, the latter being loaned in the maximum amounts allowed by the present provision (to wit, to ten individuals at $10,000 each) has not as well-distributed loans as a bank of $1,000,000 capital and $5,000,000 deposits, the latter loaned to fifty people at the maximum of $100,000 each. In the former case the loans are distributed among only ten people and in the latter case among fifty people, and yet in each case there is strict compliance with the ten per cent. restriction.

One of the objects evidently designed to be subserved by the present provision of the law, was the protection of the capital of a bank, as distinguished from other assets of the bank.

The framers of the section undoubtedly considered the capital of a bank as a greater safeguard for the depositors against loss, when not over one-tenth part of it was loaned to a single individual or corporation without security. They recognized the fact, however, that when outside security was had for loans, the capital did not need for its protection the ten per cent. restriction; and they provided accordingly for the exemption from the restriction of a certain class of secured loans, as follows:

But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed.

In the modification of Section 5200, which we will recommend, we invoke the same principle of outside security for the protection of the capital against loss upon loans exceeding the ten per cent. limit.

The size of a loan is of itself no indication either of its strength or weakness. If the size of a loan is not such as to be an undue concentration of the assets of a banking institution in the hands of one individual or corporation, thus depriving its creditors and shareholders of the safety of the law of average, it is not wise, either upon economic grounds or upon grounds of public policy, to forbid it by law.

If, however, the size of a loan is such as to cause such undue concentration, its prevention is justifiable on both grounds.

Recognizing these truths, it is easier to understand why in many instances a strict compliance with this provision of the law (Sec. 5200, R. S. U. S.) is consistent with all the needs of the current business of a small community and a proper protection to both banks and the public, yet in some larger communities it seriously interferes with the business requirements of both the banks and the public, and adds in no way to the safety of the depositor.

The limit of the amount of single loans to an arbitrary percentage of either the capital, or the sum of the capital and surplus of a bank, does not insure a general or proper distribution of loans in all cases. Since, as stated before, the size of a loan is not, *per se*, related to its safety, the more important proportion to consider, when endeavoring to regulate the distribution of loans by law, is that of the amount of the loan to the total assets, rather than that of the loan to the amount of the capital.

Grounds of public policy suggest as advisable the largest liberty in loans, not inconsistent with the absolute safety of the depositor.

The habitual disregard of the present provision by the officers of so many banks, interferes with the proper supervision of the banks by the Comptroller, and tends to create indifference to the other restrictions of the National Banking Law.

The failure of the present law to provide the power to apply a personal penalty for the making of excessive loans, sometimes embarrasses the Comptroller in endeavoring to check tendencies towards recklessness in loaning which point to the ultimate ruin of a banking institution.

As before stated the present provision, when properly altered, should allow the banks of larger communities to have more nearly the privilege of loaning a given per cent. of their total assets to one individual, which now belongs, under a strict compliance with the present provision, to the banks of the smaller communities. From this privilege they are now debarred by law.

The desired results can be obtained, in our judgment, by adding, after the words, in Section 5200, "shall at no time exceed one-tenth part of the amount of the capital stock of such association actually paid in," the following words:

Provided, That the restriction of this section as to the amount of total liabilities to any association, of any person, or of any company, corporation, or firm, for money borrowed, shall not apply where a loan in excess of one-tenth part of the capital stock shall be less than two per cent. of the total assets of said bank at the time of making said loan. Said loan shall be at all times protected by collateral security equal to or greater in value than the excess in the amount of said loan over one-tenth of the capital stock.

A strict and personal penalty enforceable by the Comptroller, should then be provided for infractions of the amended section by the officers of banks, to enable the Comptroller to successfully enforce general and strict compliance with its terms.

The suggested amendment will make Section 5200 just and equitable in its relation to all National banks, and to all communities of our country, large and small, which it is not at present.

It would not lessen the amount which the smaller banks can now loan in compliance with the section as it stands at present. At the same time it would not allow the larger banks to loan to any one individual or corporation more than ten per cent. of their capital, unless such loan, in addition to being secured for the excess, would still amount to a less per cent. of their total assets, than the per cent of total assets which the smaller banks can now loan under the section as it stands at present.

Section 5200 thus amended will not interfere, as at present, with the right of the banks in the larger communities to meet the legitimate requirements of business in these commercial centers. It will enable the Comptroller, by its enforcement, to prevent an undue concentration of loans and conserve their general distribution.

Under the section thus amended, the capital of a bank will be protected, inasmuch as no loan in excess of the ten per cent limit can then be made, except upon proper collateral security.

The penalty clause will enable the Comptroller not only to limit the size, but to enforce the securing of excessive loans.

The following table shows the inequality of the present law in its practical effects upon the banks of larger and smaller communities, so far as the possible distribution of loans is concerned:

Banks in—	Number of banks July 14, 1898.	Average resources.	Average capital.	Maximum average loan 10 per cent of capital.	Ratio of average resources to average capital.	Average maximum loan to average resources now allowed by sec. 5200.
New York City	47	$18,598,379	$1,036,170	$103,617	18 to 1	$\frac{56}{100}$ of 1 per cent.
Chicago	17	11,632,219	1,144,118	114,411	10.2 to 1	$\frac{98}{100}$ of 1 per cent.
St. Louis	6	10,257,586	1,400,000	140,000	7.3 to 1	1.4 per cent.
All central reserve cities	70	16,191,676	1,093,571	109,357	14.8 to 1	$\frac{68}{100}$ of 1 per cent.
Other reserve cities	257	3,909,561	591,343	59,134	6.6 to 1	1.51 per cent.
Country banks	3,255	565,130	120,888	12,088	4.7 to 1	2.14 per cent.
United States	3,582	1,110,462	173,650	17,365	6.4 to 1	1.56 per cent.

DOMESTIC BRANCH BANKING.

The Comptroller recommends, in accordance with former recommendations of his predecessor, that domestic branch banking should be legalized in communities of less than 2,000 inhabitants, many of which are now unable to support independent banks. This would afford some smaller communities banking privileges which are now without them, but would not materially interfere with the scope of the work now so well performed by the existing banks of the smaller communities.

The main arguments which are advanced in favor of the granting of more liberal privileges of branch banking than this, are based largely upon the theory that with branch banking allowed in all communities, irrespective of size, more uniform interest rates would prevail throughout the country, and the flow of capital to points of scarcity would be facilitated.

Such privileges would place the larger banks of the great cities in competition with the banks of smaller communities, and would probably result in a rapid centralization of the banking business of the country in the hands of a constantly lessening number of institutions. Theoretical advantages are claimed for such results, but in our judgment they would be injurious to the best interests of our country.

Such a system would increase the difficulties in the way of the small borrower, though lessening them for the large borrower. It would tend to separate the borrower from the lender, as it would of necessity remove the central lending power from the small borrowers of small communities.

It may be claimed that the agents in charge of the branch banks would possess the same powers of loaning as the officers of the smaller banks now possess: but such arguments ignore the prevailing tendencies of modern corporate management which magnify of necessity central responsibility, and constantly tend to subordinate to rigid systems the activities and responsibilities of agents upon detached duty.

The opportunities for individual attention and accommodations to bank customers of limited business are now well subserved by competing smaller banks. Interest rates are not alone dependent upon local money supply; they also depend upon the risk of loss assumed in loaning. Branch banks in newer communities would not assume unusual risks without unusual rates. The facilities now afforded by the 3,600 National banks of the country for the movement of capital toward points of scarcity are such that any new system would probably not result in great changes in the general rates of interest. But when the economic tendencies adverse to business individualism involved in unlimited domestic branch banking are considered, the question of interest rates becomes secondary.

FOREIGN AND COLONIAL BRANCH BANKING.

In the matter of foreign and colonial branch banking, however, different considerations, arising from different conditions, present themselves.

The subject of the legislation which should be provided by Congress for the regulation of the domestic banking of the new colonies of the United States, and for the defining and regulation of the banking relations between these colonies and the United States, is one of greatest importance at this juncture of our national and commercial career. This legislation is not only most essential to the welfare of the people of the new territories, but to the people of the United States as well.

The foundation for the greater growth of trade between the United States and her colonies must be speedily and firmly laid in proper banking laws, which will result in enabling her merchants to do business with the people of the colonies without the disadvantages existing at present.

The lamentable lack of proper international banking facilities, under which the merchants of the United States have so long labored, has now become a serious hindrance to the speedy adjustment of our trade relations to the new advantages afforded by territorial expansion. For years before the outbreak of the war with Spain the necessity of providing proper banking facilities for our trade with South American countries, had been recognized and widely proclaimed by the business interests of the country.

These facilities are now not only more important than formerly to our business interests, but at present governmental, as well as trade necessities, demand legislation.

In April, 1890, the International American Congress, held at Washington, discussed the needs of better banking facilities between the American republics, and made recommendations in connection therewith, which received the indorsement of President Harrison and Mr. Blaine, the Secretary of State.

In furtherance of this object several bills have been favorably reported from the Committee on Banking and Currency of the House. As yet, however, these efforts, made in the interest of trade stimulation, have not resulted in the enactment of law.

Our present National banking laws do not authorize the establishment of American international or American intercolonial banks, nor could any National bank establish a branch in a territory or colony, such as Porto Rico or Hawaii, even if our present laws unchanged were extended over it.

While it is questionable whether Congress should legalize the establishing of foreign or colonial branches by National banks transacting business under the present law, that it should at least pass laws authorizing, under proper restrictions, the general incorporation of banks organized to carry on international and intercolonial banking, as distinguished from domestic banking, admits of no reasonable doubt.

ORGANIZATION OF NATIONAL BANKS.

From the date of the granting of the first certificate of authority, June 20, 1863, to the end of the year covered by this report, there have been 5,151 National banking associations organized—an average for each year of 147. On October 31, 1898, there were in active operation 3,598 banks, having an aggregate authorized capital stock of $624,558,195. The total outstanding circulation amounted to $239,546,281, of which $210,045,456 was secured by United States bonds, and the remainder, $29,500,825, by lawful money deposited with the Treasurer of the United States for account of liquidating and insolvent National banking associations and those reducing circulation. The increase during the year in the amount of circulation secured by bonds was $6.119,776, and the increase in total circulation, including the notes of liquidating and insolvent National banking associations and those reducing circulation, $9,582,771.

The number and capital of the 3,598 banks in operation on October 31, 1898, in each geographical division are as follows: Five hundred and eighty-two banks, with capital stock of $155,231,620, in the New England States; 961 banks, with capital stock of $193,887,122, in the Eastern States; 539 banks, with capital stock of $64,788,200, in the Southern States; 1,045 banks, with capital stock of $158,653,100, in the Middl. States; 348 banks, with capital stock of $31,699,100, in the Western States, and 123 banks, with capital stock of $20,065,000, in the Pacific States.

In point of number of banks in active operation, Pennsylvania, New York, Massachusetts, Ohio, Illinois and Texas lead with 428, 327, 263, 254, 219 and 197, respectively. According to capital stock, Massachusetts is first, with $91,627,500, New York second, with $82,944,940, Pennsylvania third, with $78,359,390, followed by Ohio, with $45,535,967, Illinois, with $36,746,000, and Texas, with $19,515,000.

During the report year there were organized fifty-six banks, located in twenty States and two Territories, with aggregate capital stock of $9,665,000. Of this number eight were in Pennsylvania, seven in Ohio, six in Iowa, five in Illinois, four each in New York and Texas, three in Indian Territory, two each in California, Kansas, Missouri and New Jersey, and one each in Alaska, Delaware, Indiana, Kentucky, Maryland, New Hampshire, North Carolina, South Carolina, Virginia, Wisconsin and Oklahoma Territory.

In geographical divisions the number of banks organized during the year was as follows: New England States, 1, with capital stock $50,000; Eastern States, 16, with aggregate capital, $1,185,000; Southern States, eight, combined capital, $620,000; Middle States, twenty-two, total capital, $3,960,000; Western States, six, capital aggregating $300,000, and Pacific States, three, capital, $3,550,000. California is first in amount of capital stock of banks organized during the year, having $3,500,000; Illinois has $2,250,000; New York, $525,000, and Indiana, $500,000, the total capital of banks in each of the other States ranging from $460,000 down to $50,000.

The corporate existence of twenty National banking associations having capital stock of $2,145,000, total circulation $844,875, and located in twelve States, has been extended during the year as follows: New York five, Pennsylvania three, Illinois and Massachusetts two each, and the following one each: Delaware, District of Columbia, Indiana, Kentucky, North Dakota, South Dakota, Vermont, and Washington. Of the total capital, New York aggregates $585,000, Massachusetts $350,000, Pennsylvania $210,000, Illinois and North Dakota $150,000 each, and Delaware, District of Columbia, Indiana, Kentucky, South Dakota, Vermont, and Washington $100,000 each. Under the Act of Congress approved July 12, 1882, providing for the extension of National banking associations, the corporate existence of 1,670 banks, having an aggregate capital stock of $407,531,115, has been extended. Of these, New York has 244, Massachusetts 231, Pennsylvania 208, Ohio 114. The number of banks in each of the other States ranges from seventy-five down.

By reason of the expiration of corporate existence, three banks, having an aggregate capital stock of $584,000 and total circulation of $165,000, left the system during the year. They were located in Illinois, Kentucky, and Pennsylvania. Those in the last two States were succeeded by new associations with capital stock of $250,000 and circulation amounting to $67,500.

During the coming report year, viz., that closing October 31, 1899, the corporate existence of twenty-two associations, with capital stock aggregating $3,155,000 and circulation $1,297,250 will expire. These banks are distributed among the States as follows: Massachusetts, New York, and Pennsylvania, three each; and one each in California, Connecticut, Illinois, Indiana, Iowa, Kentucky, Maryland, Missouri, New Mexico, North Carolina, North Dakota, Ohio, and Vermont. In the ten years from 1899 to 1908, inclusive, the corporate existence of 1,134 banking associations, with capital stock amounting to $162,418,150, and circulation $44,298,758, will expire by limitation.

The number of banks leaving the system during the past year by voluntary liquidation was sixty-nine, one of which subsequently passed into the hands of a Receiver. The sixty-eight banks which liquidated had a total capital stock of $12,509,000, and circulation amounting to $2,184,958.

Liquidations, Dividends, Etc.

In the midsummer of 1893 the capital stock of the National banks reached the maximum, $699,084,665. Since that date 223 banks have been organized with an aggregate capital of $27,505,000, and 100 have increased their stock in the sum of $8,612,000. In the same period, by failures, reductions of capital stock, and voluntary liquidations, $110,599,490 has been eliminated, leaving $624,552,195 on October 31, 1898. While 316 banks, with capital of $43,991,100, liquidated voluntarily, twenty-five per cent. of the number, as shown by the records of this office, were consolidated with other associations. These liquidations and reductions of stock were the inevitable results of constantly decreasing dividends. During the year ended March 1, 1893, the average rate of dividends paid to the shareholders of National banks was 7.5 per cent.: in the following year, 6.8 per cent.; in 1897, 6.7 per cent.; and in 1898, 6.96 per cent. The competition for deposits has developed the very general custom of paying high rates of interest thereon. The prevailing low rate of interest on loans and discounts have also lessened the returns to stockholders.

For the year ended June 30, 1898, the tax on National-bank circulation was $1,901,817, and the total amount paid to the Government as tax on the circulating notes, $83,813,202.25.

Duration of National-Bank Circulation.

In 1886 the Comptroller, in his annual report to Congress, presented a series of tables indicating the average length of time National-bank notes of the various denominations remain in circulation. On the date in question the office records were not in condition to show accurate data, estimates being necessary for the six years antedating October 31, 1869. In 1889 a very careful examination of the records was made, and as a result the table appearing in the appendix shows correctly the circulation account annually from the date of first issues to October 31, 1898.

From this table was obtained the basis for the following calculation of the average lifetime of the issues of each denomination.

Number of each Denomination of National Bank Notes Issued from the Beginning of the System to October 1, 1898; the Calculated Aggregate Number of Life Years Experienced when Redeemed, and the Resulting Average Lifetime of the Notes of Each Denomination.

Denominations.	*Number of notes issued.*	*Calculated aggregate number of life years experienced when redeemed.*	*Resulting average lifetime of each note in years.*
One dollar	23,169,677	97,991,508	4.229
Two dollars	7,747,519	33,862,880	4.371
Five dollars	148,400,164	625,113,289	4.212
Ten dollars	62,520,341	301,032,014	4.815
Twenty dollars	19,840,907	100,732,480	5.077
Fifty dollars	2,404,380	11,657,448	4.848
One hundred dollars	1,919,771	8,705,304	4.534
Five hundred dollars	23,894	122,817	5.140
One thousand dollars	7,379	24,498	3.309
Total	266,083,972	1,179,942,088	4.433

Theoretically the lifetime of a note of each denomination is as shown above, but practically it can not be stated with exactness, owing to the fact that complete redemptions are not possible. This is evidenced in regard to the issues of ones and twos, which ceased in 1879, and the five hundreds and the one thousands, the last issues having been made in 1885 and 1884.

respectively. As shown, the average lifetime of these notes, calculating from the data at date of final issues, was: Ones, 3.808; twos, 4.033; five hundreds, 4.979; one thousands, 3.215 years.

On October 1, 1898, there was $235,326,194 National bank circulation outstanding. The aggregate number of life years already experienced by the $2,134,206,185 issued is 9,444,331,687 (that is, 9,679,657,881 less 235,326,194), and the average number of years 4.425—the division of 9,444,331,687 by 2,134,206,185. The average lifetime is necessarily greater than shown in view of the amount outstanding to be redeemed. On the reasonable assumption that the redemption of this amount will be effected in 4.425 equal annual installments—that is, at the rate of $53,181,061 per annum—the aggregate full lifetime of the total issues (2,134,206,185) will be 9,853,895,808 and the average lifetime 4.617 years.

State Banks and Banking Institutions.

Incorporated in the National Bank Act is the provision that the Comptroller of the Currency shall include in his annual report to Congress information relative to the condition of banks and banking institutions chartered and operated under State authority, the necessary data to be procured from reports made by such institutions to the Legislatures or State officials, and the deficiency to be supplied from other reliable sources. With the exception of Delaware, official returns are obtainable relative to the condition of State banks from all of the New England and Eastern States. Returns of an official nature from the Southern States are confined to Virginia, North Carolina, Georgia, Florida, Mississippi, and Kentucky. In all of the Middle States banking departments exist, managed by boards or elective officers from whom returns are obtainable. The same can be said of the Western States, with the exception of Montana and Oklahoma. California appears to be the only Pacific State which has such a department.

With a very few exceptions, it is not possible to obtain data relative to the condition of these institutions for a recent date corresponding as to time with returns received from National banks, a fact which causes an impairment of the value of the combined statistics. Efforts were made by my predecessor to induce State officers to urge the enactment of laws which would be remediable in this respect, and it is the intention to continue like efforts in that direction until the desired end is attained. The custom of this office, begun in 1887, to supplement official returns with reports of banks made directly to this office upon request, has been continued. Through both sources it is possible to present statistics relative to practically all of the mutual Savings banks and about ninety per cent. of the banks of discount and deposit, classed as "State banks." The returns from private banks and loan and trust companies are not so satisfactory, nor will they be until such institutions are subjected by State laws to the same surveillance and requirements with respect to publicity as State and Savings banks.

An abstract of returns for the current year shows that reports have been received from 3,965 State banks, 984 Savings banks, 246 loan and trust companies, and 758 private banks.

For the purpose of comparison the aggregates of the principal resources and liabilities for the years 1894 to 1898 are set forth in the following table:

Items.	1894.	1895.	1896.	1897.	1898.
Loans	$2,138,628,978	$2,417,463,494	$2,279,515,283	$2,231,018,162	$2,480,874,360
Bonds	1,010,248,230	1,375,026,025	1,210,827,869	1,248,150,146	1,304,890,323
Cash	229,378,004	227,748,306	169,198,601	198,094,029	194,918,450
Capital	396,735,390	422,052,618	400,831,399	380,090,778	370,078,788
Surplus and undivided profits	352,424,784	370,397,008	362,602,702	382,436,990	399,766,497
Deposits	2,973,414,101	3,185,245,810	3,276,710,916	3,324,254,807	3,664,797,296
Resources	3,868,474,997	4,138,990,529	4,200,124,955	4,258,677,065	4,631,328,357

With each year a steady and substantial increase is shown in the total assets. Deposits also have steadily increased. Capital exhibits great fluctuations. The maximum amount was reported in 1895. There was a decrease of nearly $22,000,000 in the following year, about $22,000,000 in 1897, and, approximately, $10,000,000 in 1898.

Reports from State banks to the number of 3,965 have been received. The capital of these institutions is $233,587,353; surplus and other profits, $109,554,519; deposits, $912,365,406. Loans and discounts aggregate $813,749,808; United States bonds, $4,185,804; other bonds, stocks and securities, $127,500,484; cash in bank and amounts due from other banks and bankers, $327,773,826, and total assets, $1,356,064,800. Compared with 1897, there is shown an increase of 108 in number of banks reporting and $217,809,898 in aggregate assets.

It is impossible to state exactly the average rate per cent. of dividends paid by these banks, owing to the fact that information on the point is confined to 1,163 banks. It is seen, however, that on stock aggregating $69,209,235 dividends to the amount of $4,963,240, or 7.17 per cent., were paid.

Savings Banks.

Reports have been received relative to the condition of 979 Savings banks, including forty-five commercial banks (in one State) having savings departments. This is but one less than reported in 1897. The principal investments, loans and securities—corporate and other—amount to $1,070,755,298 and $74,700,217, respectively. In all States the character of loans is not shown, but real estate appears as collateral to accommodations amounting to $864,968,285. Government bonds are held to the amount of $140,029,726; State, county and municipal bonds, $497,416,292, and other bonds, stocks and securities, $337,254,199. The total assets are $2,241,344,991, the liabilities to depositors are $2,066,601,864, and these banks have $187,475,971 in surplus and undivided profits. The latter amount is equivalent to nearly 8.4 of the total liabilities.

The depositors who are the exclusive participators in the profits of the mutual Savings banks, but who, in stock Savings institutions, are paid specific rates of interest, number 5,385,746, and their average deposit is $383.54. Compared with 1897 there is an increase of $83,188,300 in deposits and 184,614 in number of depositors. Mutual Savings banks are confined almost exclusively to the New England and Eastern States. Outside of the two sections named, but eleven banks of that character have made reports, as follows: One in West Virginia, four in Ohio, five in Indiana and one in Wisconsin. The aggregate assets of the mutual Savings banks, which amount to about ninety per cent. of the assets of all Savings institutions, are $2,005,950,646; loans aggregate $920,477,133, over eighty-one per cent. of which are secured by real estate; United States bonds, $139,561,601; State, county and municipal bonds, $495,726,686; other bonds, stock and securities, $294,706,986. Deposits amount to $1,824-933,410; number of depositors, 4,835,138, and the average deposit, $377.44. This indicates an increase during the year of $87,864,040 in deposits, $7.32 in the average deposit, and 148,694 in number of depositors. The average rate of interest paid on savings accounts is practically four per cent. in all of the States except Maine, New Hampshire, New York, New Jersey and Maryland, in which the rate ranges from three to 3½ per cent.

The capital of the 275 reporting stock Savings banks is $18,536,130; deposits, $203,244,999; number of savings depositors, 406,748, and the average savings deposit, $501; the total assets are 235,394,345, of which $150,574,288 represent loans, and $44,704,994 bonds, stocks and other securities.

Loan and Trust Companies.

Returns relative to the condition of 246 loan and trust companies have been received. These corporations are capitalized for $101,228,555, and have $97,643,666 surplus and profits, and $662,138,397 deposits. Loans aggregate $539,317,059; United States bonds, $34,186,440; other bonds, stocks and securities, $159,791,312; cash on hand and due from other corporations, etc., $118,028,856. The average rate of dividends paid by all these companies during the past year, as shown by reports relative to that point, was 11.28 per cent.

Private Banks.

The laws of but few of the States provide for reports from unincorporated banks and private bankers, and, in view of the disinclination of the representatives of most of such concerns to submit statements of condition to this office as requested, statistics relative thereto are meager. The abstract of returns from 758 banks show total resources of $91,436,-387; capital, $16,721,750; deposits, $62,085,084, and other liabilities, $12,629,553. Loans and discounts aggregate $58,174,218; bonds, stocks and other securities, $4,526,565, and credits with other banks and cash on hand, $16,161,020 and $5,857,132 respectively.

The principal items of resources and liabilities of each class of banks hereinbefore referred to are shown herewith:

Items.	State banks.	Loan and trust companies.	Savings banks.	Private banks.	Total.
Loans	$813,749,803	$539,162,445	$1,070,755,298	$57,206,819	$2,480,874,360
United States bonds	4,185,304	34,186,440	140,029,726	927,473	179,328,943
Other bonds	127,500,484	159,791,312	834,670,491	3,599,092	1,125,561,379
Cash	133,877,133	22,250,862	32,928,323	5,857,132	194,913,450
Capital	233,587,353	101, 28,555	18,536,130	16,721,750	370,073,788
Surplus and profits	109,554 519	97,643,666	187,475,971	5,092,341	399,766,497
Deposits	912,365,406	662,138,397	2,028,208,409	62,085,084	3,664,797,296
Total resources	1,356,084,800	942,462,179	2,241,344,991	91,436,387	4,631,328,357

In the following table is exhibited in the most concise form the main items of assets and liabilities of National banks on July 14, 1898, and of other banks, banking institutions, and private banks above referred to:

ITEMS.	*3,582 National banks.*	*5,903 other banks.*	*9,485 total banks.*
Loans	$2,151,757,655	$2,480,874,360	$4,632,632,015
United States bonds	285,356,900	179,328,943	464,685,843
Other bonds	250,689,375	1,125,561,379	1,376,250.754
Cash	492,882,724	194,913,450	687,796,174
Capital	622,016,745	370,073,788	992,090,533
Surplus and profits	332,971,643	399,766,497	732,738,140
Deposits	2,076,226,576	3,664,797,296	5,741,023,872
Total resources	3,977,675,445	4,631,328,357	8,609,003,802

The total banking funds—that is, capital, surplus, profits, and individual deposits—of all banks reporting amount to $7,416,355,568, and, by comparison with returns in 1897, an increase of $594,028,698 is shown. The National bank average is $39.96; State bank, $16.82, loan and trust company, $11.54; Savings bank, $29.93, private bank, $1.12; and total, $99.34.

The specie and other currency held by National banks on July 14 and by other banks on the date of the latest reports aggregate $687,796,173, an increase since 1897 of $59,595,644. Classified, the holdings are as follows: Gold, $341,108,985; silver, $58,947,221; specie not shown in detail, $2,131,917; legal tenders and other paper currency, $199,915,862; fractional currency, $1,093,904; "cash," $84,598,284. The latter amount undoubtedly includes a quantity of specie, but how much can not even be estimated. The reports from a number of States show merely "cash on hand." It is interesting to note the changes which have occurred since 1897 in the amount of each kind of currency. Gold has increased $98,755,983; silver, $5,255,491; fractional currency, $112,123; specie not classified, $434,845; "cash," $2,069,835. Legal tenders and other paper currency decreased $47,032,633.

In July, 1898, 3,590 National banks and, approximately, 9,500 other banks, banking institutions, and private banks were in operation in the United States. During the year ended October 31, 1898, seven National banks were found to be insolvent and placed in charge of Receivers. From reports made to the Bradstreet Company and furnished to this Bureau, covering the year closed August 31, 1898, it is seen that the failure of banks other than National number fifty-three, the assets and liabilities at date of failure being $4,493,577 and $7,080,190 respectively. There were thirty-three private bank failures, fourteen State, four Savings bank, and two trust company.

The abstract of the reports of condition of the thirty-eight chartered banks of the Dominion of Canada made on September 30, 1898, has been received, from which it is noted that capital stock aggregates $62,909,084; circulation outstanding, $40,071,143; deposits, $242,128,762; total liabilities, $382,331,506. The banks held, in specie, Dominion notes, bank notes, and checks, 15.5 per cent. of deposits. The average rate of dividends paid during the past year was 7.6 per cent.

In conclusion, the Comptroller desires to commend the associates of his office for their faithful, able, and efficient services, much of it rendered to the Government during extra hours of labor without compensation.

To Mr. Lawrence O. Murray, Deputy Comptroller; Messrs. A. D. Lynch and George T. May, in charge of work connected with insolvent banks; George S. Anthony, W. J. Fowler, W. W. Eldridge, E. E. Schreiner, in charge of divisions; W. D. Swan; J. Y. Paige, chief clerk and to Mr. T. P. Kane, secretary, the Comptroller desires to publicly express his appreciation for their fidelity to the best interests of the governmental work in which they were engaged.

CHARLES G. DAWES, *Comptroller of the Currency.*

The Speaker of the House of Representatives.

New Counterfeit $2 Treasury Note.—Series 1891, check letter A; J. Fount Tillman, Register; D. N. Morgan, Treasurer; No. B 5482413, small scalloped seal, portrait of McPherson. This counterfeit is apparently printed from very crudely executed zinc plates, on two pieces of "Japanese" paper, between which silk threads have been distributed. It should not deceive persons exercising ordinary care in handling money. The portrait of McPherson is so confused with the shade lines as to make it almost impossible to recognize it. The titles "Register of the Treasury" and "Treasurer of the United States" are blurred and indistinct, as is the case with most of the small lettering on the note. The black figures of the Treasury number can be plainly discerned beneath the red recoloring. The seal is light brick red instead of carmine. The back of the note is much darker than the genuine,

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.

—Wm. H. Porter, Vice-President of the Chase National Bank, has accepted the position of Vice-President of the Chemical National Bank, to take effect January 1.

The Chemical National Bank has never had an active Vice-President, but its business has grown so large of late that even George G. Williams, the veteran President of the bank, with all his experience and knowledge of business, finds it difficult to keep pace with it. He therefore determined some time ago, in conjunction with the other directors of the bank, to look out for a suitable man for the Vice-Presidency, one who by his experience and efficiency and familiarity with the work of a large bank would be able to attend to some of the work heretofore looked after by himself. The result was the selection of Mr. Porter.

Mr. Williams, President of the Chemical, has been President and Cashier for forty-five years, and has been fifty-five years altogether in the bank's service. It is but natural, therefore, that he should feel the need of associating a younger man with him in the management of this great institution.

Mr. Porter got his early training in that excellent school for bankers—the Fifth Avenue Bank, where he remained for eight years, resigning in 1886 to accept the Cashiership of the Chase National. In 1891, upon the death of John Thompson, the Vice-President and founder of the bank, Mr. Porter became President. He was also for some time Secretary of the clearing-house. His association with the Chase National has been marked by a display of a high order of banking talent, and he has aided in bringing the institution up to its present enviable standing. An executive position in the Chemical Bank is a great prize, and that it has been won by Mr. Porter is a fact which bespeaks his abilities more strongly than any words can do. A sketch of his life, together with a portrait, appeared in the MAGAZINE for August, 1895.

—On November 30 a seat on the Stock Exchange sold for $29,750, compared with $28,500, the last previous sale reported.

—J. T. Baldwin, who has been Cashier of the Bank of the Manhattan Company since 1879 and for nearly fifty years in its employ, has resigned on account of ill-health. The directors of the bank accepted Mr. Baldwin's resignation with great reluctance. It is understood that Mr. Baldwin's retirement carries with it a handsome pension as a further mark of the bank's appreciation of his long and valuable services. Mr. Baldwin entered the employ of the Manhattan Company Bank as a clerk on July 1, 1850, and rose by successive steps to the place of Cashier. In June, 1897, his fellow clerks marked their appreciation of him and his completion of forty-seven years of service in the bank by presenting him with a handsome cane.

—The Havana Bank of the North American Trust Company has been opened for business at Havana, Cuba under the immediate management of S. M. Jarvis, Vice-President of the Trust Company, who will also supervise the operations of the company's bank at Santiago, established in August last, as fiscal agent of the United States Government at that place.

—The economy of the clearing-house system was illustrated one day recently when the Bank of the State of New York brought to the clearing-house checks upon other banks amounting to $15,647,583.82, and other banks brought checks upon it amounting to $15,647,401.85. This resulted in business amounting to $31,294,985.67 being transacted by the actual handling in cash of only $181.97, the amount of the bank's credit balance.

—James Stillman, President of the National City Bank, has given $50,000 to Harvard University to cover the cost of land and buildings for a projected infirmary, which will bear the name of the donor. In addition, Mr. Stillman will contribute annually, for four years, the sum of $2,500 for the support of the institution. The land has been purchased, and the construction of the building will begin in the spring.

—Mr. U. Yoneyama, of Tokio, Japan, was a recent visitor at the office of the MAGAZINE. He represents the Mitsui Bank, the oldest banking establishment in Japan, and also one of the largest. The bank dates its origin two hundred years back, when the members of the

Mitsui family opened an exchange and banking office in Kioto and Yedo (now Tokio). In addition to transacting a banking business the members of the family are the founders and owners of several large mercantile and industrial enterprises. Mr. Yoneyama is inspecting some of the leading banks in the city, and further familiarizing himself with American banking methods. His bank will shortly occupy a new and larger building, embracing the latest improvements in bank architecture.

—William H. Rodgers has been added to the list of directors of the Nassau Bank.

—At the annual meeting of the stockholders and directors of the Knickerbocker Trust Co. on November 10 the old directors and officers were reëlected. The vacancy in the office of President caused by the death of Robert Maclay was not filled.

—The firm name of H. K. Burras & Co. has been changed to Burras & Klopfer.

—It is reported that a controlling interest in the Sixth National Bank has been acquired by the Astor National Bank, and it is said that the business of the former bank will be consolidated with the latter.

—W. N. Coler, Jr., and James Campbell have retired from the banking house of W. N. Coler & Co.

—On December 1 James Speyer, of Messrs. Speyer & Co., bankers, gave a dinner at his residence to H. H. Hanna, chairman of the executive committee of the Indianapolis Monetary Conference. Those present were: John A. Stewart, D. O. Mills, William E. Dodge, Carl Schurz, John Harsen Rhoades, George Foster Peabody, Charles Stewart Smith, Jacob H. Schiff, John S. Kennedy, Richard A. McCurdy, George F. Baker, Morris K. Jesup, Gustav H. Schwab, Frank K. Sturgis, John K. Cowen, of Baltimore, Charles S. Fairchild, and Charles C. Beaman.

In an address at the Chamber of Commerce on the same day Mr. Hanna said: "When I asked the President what I should say to the people in the West when I returned home, he replied, 'You can say that I stand for monetary legislation and that I am determined that every pledge the Republican party made along this line shall be kept.'"

—General Thomas L. James, President of the Lincoln National Bank, is to speak at the annual dinner of the Rochester Clearing-House Association December 15.

—On December 1 the Tradesmen's National Bank, which suspended on October 4, reopened for the purpose of liquidation. A committee appointed to make an examination reported that the bank had sufficient assets to pay all depositors within four months. A large number of the smaller deposit accounts have already been paid in cash, and short-time certificates issued for the balance.

—It is reported that several of the city Savings banks heretofore paying four per cent. on deposits will reduce the rate to 3½ per cent. on January 1.

NEW ENGLAND STATES.

Boston.—It is announced that the Colonial National Bank will succeed the Manufacturers' and Continental National Banks, occupying the quarters of the Manufacturers' National. It will have $1,000,000 capital and $500,000 surplus at the start. President D. J. Lord, of the Manufacturers' will be President of the new bank and Cashier C. F. Smith, of the Continental, Vice-President.

The Continental National Bank was incorporated in 1860 and has a capital of $1,000,000, surplus of $200,000, loans and discounts of $2,300,000 and individual deposits of $1,500,000. The Manufacturers' National Bank was incorporated in 1873 and is capitalized at $500,000. The surplus is $106,880, loans and discounts $2,802,000 and individual deposits $3,183,000.

—The National Shawmut Bank, successor to the nine banks recently placed in liquidation, opened for business in the banking rooms of the old Shawmut Nationa on November 26, with $8,000,000 capital and $1,500,000 surplus. James P. Stearns is President and F. H. Barbour, Cashier.

—A seat was recently sold on the Boston Stock Exchange for $20,000. This is a big advance, as the last previous sale was in the vicinity of $15,000.

—The Negotiable Instruments Law, being the uniform Act on the subject passed by a number of States, goes into effect January 1.

Bank to Reduce Capital.—On November 28 the directors of the Worcester National Bank decided to recommend to the stockholders that they reduce the capital from $500,000 to $250,000. The matter will come up at the annual meeting in January.

MIDDLE STATES.

Philadelphia.—Charles B. Cooke has been elected Cashier of the Eighth National Bank, to fill the vacancy caused by the promotion of James A. Irwin, the former Cashier, to the Presidency. Mr. Cooke has been connected with the bank for the past seventeen years.

—Thomas W. Barlow, Receiver of the People's Bank, recently notified the depositors of that institution that the remaining ten per cent. due them would be paid on and after December 5, 1898. This payment closes every uncontested claim against the bank, including the deposits of the city and State. The People's Bank closed on March 25, after the Cashier, John S. Hopkins, had committed suicide. The liabilities were about $1,500,000, while the assets were less than a million dollars. President McManes pledged himself to pay the depositors dollar for dollar, and the announcement of Receiver Barlow shows that he has kept his word.

—Henry L. Townsend, of the firm of De Haven & Townsend, has been elected President of the Stock Exchange, to succeed Robert M. Janney, resigned.

—Charles W. Otto succeeds W. W. Wister as President of the National Bank of Germantown.

—On December 7 Gideon W. Marsh, President of the wrecked Keystone National Bank, pleaded guilty to bills of indictment charging him with wrecking the institution. The bank failed in 1891. Marsh was arrested, but released on bail. Before the time for his trial arrived he fled, but recently returned voluntarily and surrendered himself.

Baltimore, Md.—Wm. E. Wagner, formerly discount Clerk of the Second National Bank, has been appointed Cashier, to succeed the late John H. Bawden, and together with Mr. Louis Kann has been elected a director. Mr. Wagner has been connected with the bank for twenty-four years.

—On November 28 the directors of the Third National Bank elected N. B. Medairy Assistant Cashier.

—A special meeting of the stockholders of the First National Bank has been called for December 28, to vote on a proposition to reduce the capital from $1,110,000 to $555,000.

—Frederick C. Dreyer has been elected Cashier of the Union National Bank, in place of J. S. Westerman, who resigned on account of impaired health.

—De Courcey Thom and others of this city are interested in a new bank at Queenstown, Md.

New Savings Bank.—The Myersville (Md.) Savings Bank, organized on the mutual plan, was recently granted a charter.

Pittsburg, Pa.—The annual meeting of the Bankers and Bank Clerks' Mutual Benefit Association was held November 21. The reports of the officers were read, showing the association to be in splendid shape. During the year an increase of twenty-one was made in the membership. It has a total enrollment of 565. Of these 482 are active members and the remainder are honorary. The report of the treasurer showed assets amounting to $39,882.08, and an increase in investments over last year of $6,600.

Officers were elected as follows: President, John W. Taylor, City Savings Bank: Vice-President, H. M. Landis, of the Tradesmen's National Bank; treasurer, Edward E. Duff, of the People's Savings Bank.

—The November number of R. J. Stoney's "Pittsburg Banker" contains the following: "The aggregate capital of the National banks of Pittsburg is $12,400,000, and the total surplus is only a trifle under $12,000,000. From 1890 to 1897 there was a net increase in surplus of $4,568,698. During the past year, however, the business has been less profitable, there having been a net increase of only $170,441.

While the banks have been strengthening their surplus funds, they have also dealt liberally with stockholders in the matter of dividends. For the fiscal year 1897-98, $981,000 was paid out in dividends, or a fraction less than eight per cent. on the total capital. Since 1890 the dividends paid aggregate $7,362,000."

Troy, N. Y.—Samuel O. Gleason, who has been Cashier of the Manufacturers' National Bank since 1882, has presented his resignation to take effect January 11. Some months ago he was granted a leave of absence on account of ill-health, but he finds that he will be unable to resume his duties. Mr. Gleason was elected county treasurer of Rensselaer County for four consecutive terms. Since his association with the Manufacturers' National Bank the stock has advanced from par to 225, while the surplus and profits exceed the capital.

Frank E. Howe, Assistant Cashier, is Acting Cashier until the annual meeting.

National Bank Reorganized.—Four hundred and sixty shares of the stock of the First National Bank, Newark, New York, belonging to the late Fletcher Williams, were sold recently to Daniel P. Smith and others. Mr. Smith has been chosen President of the bank, and Frank Garlock, Vice-President.

Bank Resumes Business.—The Tioga National Bank, of Owego, N. Y., which suspended on October 14 on account of embezzlement of its funds by the Assistant Cashier, was permitted by the Comptroller to resume business on November 17. C. D. Yothers is the new Assistant Cashier.

Long Branch, N. J.—The Citizens' Bank has been organized here with $60,000 capital, and will begin business on January 1. Mayor Rufus Blodgett will be President.

SOUTHERN STATES.

Clarksville, Tenn.—D. N. Kennedy, who was one of the organizers of the Northern Bank of Tennessee, and who has been its President for the last forty-five years—a period contemporaneous with its entire existence—has resigned the office, and has been succeeded by W. B. Anderson, formerly Vice-President. Mr. Anderson, who acquired a considerable fortune in the tobacco business, has been associated with the bank for the last eight years. Hereafter he will devote all his time to the bank and will preserve the same high standard of management which has enabled the institution to meet all its obligations during almost half a century, despite war and panics.

Norfolk, Va.—A majority of the banks of this city announce that after January 1 no more deposits to draw interest will be received. The reason given is that there is more money on hand than can be loaned at good security. The Norfolk National, the largest bank in the city, is among them. The Savings and Trust Bank announces that interest will be cut down from four to three per cent.

Birmingham, Ala.—At a meeting of the directors of the Berney National Bank on November 2, Henry L. Badham was elected Cashier. He is one of the best known and most capable young business men in Birmingham, is thoroughly experienced in banking and is generally popular.

Texas Banks Consolidate.—It is reported that the City National and First National Bank, Greenville, Tex., have consolidated under the latter name.

State Bank Notes.—The lower House of the Georgia Legislature has passed a bill to test the constitutionality of the tax on State bank notes. The bill provides that the State shall issue to any bank within its boundaries notes of various denominations equal to 75 per cent. of its capital stock, and that if any bank declines to pay the ten per cent. Federal tax the Attorney-General shall test the constitutionality of the tax in the United States Supreme Court.

North Carolina Banks.—At the date of the last official report, the State, private and Savings banks of North Carolina had total resources of $9,451,823—an increase of $1,075,076 in the last year.

WESTERN STATES.

Chicago.—The recent consolidation of the Bank of Commerce with the Union National has been followed by the absorption of the Globe National by the Continental National. This will give the latter bank over $22,000,000 of deposits and $15,500,000 loans.

—Negotiations are said to be in progress for consolidating the business of the Garden City Banking and Trust Co. with some other bank not yet definitely announced.

A Banker's Gift.—H. B. Allen, President of the First National Bank, Waterloo, Iowa, has donated his handsome residence and grounds, costing $25,000, to a benevolent association to be used for hospital purposes.

Louisville, Ky.—On November 25 the Louisville Banking Co. was authorized to change its form of organization from a State to a National bank. The capital will be reduced from $500,000 to $250,000.

—Owing to impaired health, Geo. W. Swearingen, President of the Union National Bank, presented his resignation on November 1, and was succeeded by L. O. Cox, formerly Cashier. Mr. Cox was succeeded by A. R. White, who was promoted from the position of Assistant Cashier. Mr. Swearingen will continue with the bank in the capacity of Second Vice-President.

—The First National Bank has moved across the street from its former location into rooms especially rebuilt and remodeled for it.

Minneapolis, Minn.—James S. Bell, President of the Washburn-Crosby Co., was elected a director of the Northwestern National Bank on November 1.

Kansas City, Mo.—R. W. Jones, Jr., who has been Vice-President of the American National Bank for the past year, was elected President recently to succeed Geo. F. Putnam, resigned. Since his official connection with the bank, Mr. Jones has been pleased with its business and has largely increased his holdings of stock.

Duluth, Minn.—The Lumbermen's National Bank is reported to be in prospect here, to begin business about February 1 with $250,000 capital. C. A. Weyerhauser and A. D. Davidson are given as the probable President and Cashier, respectively.

Bank to Liquidate.—It is announced that the shareholders of the Second National Bank, Springfield, Ohio, have decided to place the bank in liquidation. The bank has $200,000 capital and $128,000 surplus, but of late it has not been gaining new business, and the shareholders desire to invest their money in something more profitable.

Banks Reduce Capital.—The attempt of the authorities to punish those engaged in the banking business in Kentucky by imposing heavy taxes appears to have partially defeated itself, as many of the banks are reducing capital. Among those recently taking such action are:

Citizens' National Bank, Danville, from $150,000 to $100,000; First National Bank, Hopkinsville, from $64,000 to $50,000; German Bank, Louisville, from $300,000 to $250,000.

Colorado Gold Production.—From returns received to date it is estimated that the gold production of Colorado for the year will amount to $28,000,000.

Milwaukee, Wis.—The banks here give notice that they will pay only 2½ per cent. on savings deposits. The rate has been three per cent. for years, but the bankers say money has become so cheap that they can no longer afford to pay that rate.

Kansas Banks Consolidated.—The First State Bank, Newton, Kans., recently transferred its business to the First National Bank, the principal stockholders of the former having decided to go into mercantile business.

PACIFIC SLOPE.

San Francisco.—The Tallant Banking Co., one of the oldest institutions on the Pacific Coast, has retired from business and transferred its assets, valued at over $1,000,000, to the Crocker-Woolworth National Bank. The retirement of the bank is due to the wishes of the stockholders, the Tallant family being scattered and unable to give the necessary personal attention to the business.

J. D. McKee, formerly Cashier of the Tallant Banking Co., is now associated with the Crocker-Woolworth National.

California Public Funds.—In his recent annual report State Treasurer Green says: "California is still following the method of collecting money semi-annually from the people and storing it up as old junk, when the object, and only object, of money is circulation. We also pay large sums for the transportation of money to and from the Treasury, which is a most useless proceeding." He states that the monthly balances in the Treasury for the past fiscal year averaged $3,398,773, and suggests that this money should be made useful by depositing it in the banks.

CANADA.

New Branches Opened.—A branch of the Bank of Toronto was opened at Rossland, B. C., December 1.

—New branches in Ontario are reported by the Merchants' Bank of Canada, as follows: Alvinston, Leamington, Oakville and Tilbury.

—A branch of the Merchants' Bank of Halifax has been established at Grand Forks, B. C.

New Clearing House.—The banks of Victoria, B. C., have formed a clearing-house, composed of all the banks in the city

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Failures, Suspensions and Liquidations.

Illinois.—The Edwards County Bank, of Albion, owned by E. M. and C. A. Pace, was reported closed on November 15. A mercantile firm in a neighboring town to which the bank had loaned a considerable sum, failed and carried-the bank dow with it.

Indiana.—The State Bank, of Jonesboro, went into liquidation on November 20.

Kansas.—The First National Bank, of Emporia, closed November 16, and the event was followed by the suicide of its President, Charles S. Cross. Its statement on September 20 showed deposit liabilities of $513,599. It is reported that the President was engaged in a number of speculative ventures which proved unprofitable, large amounts of the bank's money being lost in these ventures.

—As a result of the failure of the First National Bank, of Emporia, the State Bank, of Madison, was compelled to suspend.

Massachusetts.—The Receivers of the Framingham Savings Bank, of South Framingham, which closed in February last, announce the collection of sufficient funds to pay a dividend of fifty per cent., amounting to $425,536.

New York.—The bank of A. Weston & Co., of Painted Post, which closed in June, paid its depositors the balance of their claims on November 16.

—The Bank of Hornellsville went into liquidation November 28, owing to unprofitable business.

South Carolina.—On December 5 the American Savings Bank, of Charleston, was placed in charge of a Receiver. The low price of cotton and inability to collect outstanding notes are said to be responsible for the failure. The bank has a capital stock of $15,000 and its deposits amount to about $118,000.

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.

5151—First National Bank, Bristol, New Hampshire. Capital, $50,000.
5152—Colonial National Bank, Cleveland, Ohio. Capital, $500,000.
5153—City National Bank, Harrisburg, Illinois. Capital, $50,000.
5154—First National Bank. Buffalo Center, Iowa. Capital, $50,000.
5155—National Shawmut Bank, Boston, Massachusetts. Capital, $3,000,000.
5156—People's National Bank, Warrensburg, Missouri. Capital, $50,000.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

Colonial National Bank, Boston, Mass.; by Charles F. Smith, *et al.*
First National Bank, Richfield, Utah; by F. T. Tilton, *et al.*
Lisbon National Bank, Lisbon, Ohio; by I. B. Cameron, *et al.*
First National Bank, New Boston, Texas; by D. A. Chambers, *et al.*
Bedford National Bank, Bedford, Iowa; by Wm. E. Crum, *et al.*
Farmers' National Bank, Fresno, Cal.; by Alex. Goldstein, *et al.*
Louisville National Banking Co., Louisville, Ky.; by Theodore Harris, *et al.*
Perkiomen National Bank, East Greenville, Pa.; by Jno. N. Jacobs, *et al.*
Rochester National Bank, Rochester, Pa.: by Joseph C. Campbell, *et al.*

NEW BANKS, BANKERS, ETC.

ALABAMA.

FRUITHURST—R. S. Blackmarr, Banker.

SYLACAUGA—Bank of Sylacauga; capital, $50,000; Pres., James E. Pearson.

ARKANSAS.

HARRISBURG—Harrisburg State Bank.

GEORGIA.

LAVONIA—Lavonia Bank Co.; Pres., W. S. Witham; Cashier, E. K. Farmer.

ROCHELLE—Bank of Rochelle (John N. King); capital, $2,000.

IDAHO.

MOUNTAINHOME—Citizens' Bank; Cashier, Hiram W. Gray.

ILLINOIS.

BATAVIA—Citizens' Bank (Jones & Mallory).

DURAND—Citizens' Bank.

FREEPORT—Citizens' Bank; capital, $10,000; Pres., W. A. McKibben; Cas., G. H. York.

HARRISBURG—City National Bank; capital, $50,000; Pres., W. B. Choisser; Vice-Pres., J. A. Miller; Cas., Wm. M. Gregg.

HARDIN—Bank of Calhoun County; capital, $25,000.

KENNEY—People's Bank; Pres.. Richard Snell; Vice-Pres., Geo. K. Ingham; Cas., Johnson Aughenbaugh.

VIENNA—Drovers' State Bank; capital, $25,000.

INDIANA.

WALKERTON—Cavender & Taber; Bank of Walkerton.

WALCOTT—Farmers' Bank; Pres., P. L. Anderson; Cas., Geo. F. Baker; Asst. Cas., C. W. Baker.

IOWA.

BARNUM—Bank of Barnum (John H. Eastman).

BUFFALO CENTER—First National Bank; capital, $50,000; Pres., P. M. Joyce; Vice-Pres., J. F. Thompson; Cas., A. W. Winden.

MOORHEAD—Moorhead Bank.

ROWAN—Bank of Rowan.

KENTUCKY.

LOUISVILLE—Louisville Banking Co.; authority granted by Comptroller to change title to Louisville National Banking Co.; capital, $250,000.

PINEVILLE—First State Bank; Pres., C. F. Samuels; Cas., Geo. H. Reese.

PRINCETON—Farmers' Bank; capital, $30,000.

LOUISIANA.

CROWLEY—Bank of Acadia; capital, $45,000.

MARYLAND.

BALTIMORE—Real Estate Trust Co.; capital, $200,000; Pres., J. H. Ferguson, Jr.; Vice-Pres., Jno. S. Gittings.

MYERSVILLE—Myersville Savings Bank; Pres., A. Young; Treas., Geo. W. Wachtel. ——Farmers' Mutual Exchange Bank.

MASSACHUSETTS.

BOSTON—National Shawmut Bank (successor to Shawmut National Bank, Boston, Columbian, Hamilton, Lincoln, National Bank of North America, Eagle, National

Revere and North National Banks, consolidated); capital, $8,000,000; Pres., James P. Stearns; Cas., F. H. Barbour; Asst. Cashiers, W. S. Draper and H. F. Smith.——C. P. Phelps & Co. (successors to Cushman, Fisher & Phelps).——Benjamin Fisher, 50 State Street.

MICHIGAN.

BURR OAK—Burr Oak State Bank; capital, $7,500; Pres., John T. Holmes; Cas., F. Erenest Shaffmaster.

MINNESOTA.

CALEDONIA—Caledonia Commercial Bank.

FOSSTON—First State Bank; capital $10,000; Pres., Andrew Jacobson; Cas., O. J. Kolsath.

LEWISTON—C. H. Neeb & Co.; capital, $20,000.

MISSOURI.

WARRENSBURG—People's National Bank (successor to People's Savings Bank); capital, $50,000; Pres., E. N. Johnson; Cas., W. K. Morrow.

NEBRASKA.

CRESTON—Citizens' State Bank; capital, $6,000.

HOWE—Bank of Howe; capital, $10,000; Pres., H. C. Kleckner; Vice-Pres., W. Campbell; Cas., D. J. Wood.

NELIGH—Atlas Bank; capital, $15,000; Pres., T. F. Birmingham; Cas. B. J. Ryan; Asst. Cas., O. M. Collins.

NEW JERSEY.

LONG BRANCH—Citizens' Bank; capital, $80,000; Pres., Rufus Blodgett.

NEW YORK.

MEXICO—Peck Banking Co.; Pres., Nellie T. Peck; Cas., C. A. Peck.

NORTH CAROLINA.

GREENSBORO—Piedmont Bank; authority granted by Comptroller to change to City National Bank; capital, $100,000.

MURPHY—Bank of Murphy.

NORTH DAKOTA.

FINGAL—Bank of Fingal; capital stock, $5,000; Pres., Thomas Casey; Vice-Pres., L.B. Batcheller: Cas., C. E. Batcheller.

OHIO.

BEACH CITY—Beach City Banking Co.; capital stock, $25,000.

BUTLER—Richland County Bank.

CINCINNATI—Brighton German Bank.

CLEVELAND—Colonial Nat. Bank; capital, $500,000; Pres., Henry C. Christy; Cas., J. F. Harper.

SANDUSKY—Erie County Safe Deposit Co. capital, $10,000.

OKLAHOMA.

TONKAWA—Bank of Tonkawa; capital, $5,000.

WATONGA—Bank of Watonga; capital, $5,000; Pres., E. S. Wheelock; Cas., C. R. Williams.

OREGON.

ONTARIO—Stephen Carver.

PENNSYLVANIA.

PHILADELPHIA—Ridge Avenue Bank.

TENNESSEE.

KNOXVILLE—Southern Bank & Trust Co.

TEXAS.

LEANDER—Humble & Chapman.

PORT ARTHUR—Port Arthur Trust Co.

VIRGINIA.

ALEXANDRIA—Dime Savings Bank; capital, $100,000; Pres., A. H. Alexander.

WASHINGTON.

PUYALLUP—Citizens' State Bank: Cas., E. J. Lenhart.

WISCONSIN.

WINNECONNE—Union Bank (successor to Bank of Winneconne).

CANADA.

BRITISH COLUMBIA.

ASHCROFT—Bank of British North America.

GRAND FORKS—Merchants' Bank of Halifax.

GREENWOOD—Canadian Bank of Commerce. ——Bank of Montreal; G. A. Henderson, Mgr.

NELSON—Imperial Bank of Canada; J. M. Lay, Mgr.

ROSSLAND—Bank of British Columbia; H. F. Mytton, Mgr.

VANCOUVER—Bank of Hamilton.

MANITOBA.

PLUM COULEE—Bank of Hamilton.

ONTARIO.

ALVINGSTON—Merchants' Bank of Canada; A. V. Spencer, Mgr.——Molsons Bank; T. A. G. Gordon, Mgr.

DUTTON—Traders' Bank of Canada.

LEAMINGTON—Merchants' Bank of Canada (successor to Thomas Fuller); A. B. Patterson, Mgr.

LISTOWEL—Imperial Bank of Canada.

OAKVILLE—Merchants' Bank of Canada.

TILBURY—Merchants' Bank of Canada.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

ALEXANDER CITY—Alexander City Bank; B. L. Dean, Vice-Pres., deceased.

BIRMINGHAM — Berney National Bank; Henry L. Badham, Cashier.

EUFAULA—East Alabama National Bank; G. A. Beauchamp, Cashier in place of J. L. Pitts; J. A. Drewey, Asst. Cashier in place of G. A. Beauchamp.

ARKANSAS.

LITTLE ROCK—Bank of Little Rock; A. Stilwell, Pres. in place of Maxwell Coffin.

CALIFORNIA.

LOS ANGELES—Los Angeles National Bank;

W. C. Patterson, Pres. in place of Geo. H. Bonebrake; W. D, Woolwine, Cashier in place of W. C. Patterson.

SACRAMENTO — Farmers and Mechanics' Bank: C. H. Cummings, Cashier in place of D. D. Whitbeck, deceased; W. E. J. Baughman, Secretary in place of C. H. Cummings.

COLORADO.

NEW WINDSOR—Weld County Bank; F. E. Bonifield, sole owner.

CONNECTICUT.

HARTFORD—Hartford National Bank; H. W. Stevens, Vice-Pres.

MIDDLETOWN—Central National Bank; R. C. Markham, Pres.: H. B. Barnes, Cashier in place of R. C. Markham.

FLORIDA.

JACKSONVILLE—National Bank of the State of Florida: A. W. Knight, Pres. in place of J. N. C. Stockton: E. T. Shubrick, Vice-Pres. in place of Raymond D. Knight.

PENSACOLA—Citizens' National Bank; R. M. Bushnell, Asst. Cashier.

ILLINOIS.

BUSHNELL—First National Bank; John Skinner, Vice-Pres. in place of G. A. Kaiser.

CHESTER—First State Bank; Thomas G. Chadwick, Vice-Pres., deceased.

CHICAGO—Globe National Bank; in liquidation, business transferred to Continental National Bank.

COLFAX—State Bank; purchased by J. W. Arnold & Co.

FULTON—T. A. Hardin & Co.; Q. C. Ward, Mgr. in place of T. A. Hardin, deceased.

MENDOTA—First National Bank; Fred H. Haskell, Cas. in place of Fulton Clifford, deceased; Gilbert Faber, Asst. Cas.

MILFORD—First National Bank; F. D. Vennum, Vice-Pres.

WAVERLY—First State Bank; capital, $25,-000; Geo. D. Bradford, Pres.; A. C. Moffet, Cas.; E. C. Rohrer, Asst. Cas.

IDAHO.

WEISER—Bank of Weiser; A. B. Andersom, Pres. in place of R. F. Buller: C. M. Hiscon, Asst. Cas.

INDIANA.

EVANSVILLE—People's Savings Bank; Michael Schaefer, Cas., deceased.

HAMMOND—First National Bank; E. L. Thomas, Pres. in place of M. M. Towle; —— Hush, Cas. in place of E. E. Towle.

VALPARAISO—Farmers' National Bank; corporate existence extended until November 27, 1918.

IOWA.

BURLINGTON—First National Bank; Wm. Carson, Jr., Pres. in place of Lyman Cook; Wm. P. Foster, Vice-Pres.

DAVENPORT—Scott County Savings Bank; capital stock increased to $250,000.

DES MOINES—Des Moines Savings Bank; H. A. Miller, Cas.

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EAGLE GROVE—Citizens' State Bank; A. N. Odenheimer, Pres. in place of H. A. Miller; Geo. Wright, Cas.; to take effect December 31.

MARSHALLTOWN—Marshalltown State Bank; Fred. J. Grumme, Pres., deceased.

KANSAS.

ATCHISON—Atchison National Bank; Norman Barrat, Pres., in place of M. Barrat, deceased; no Cas. in place of Norman Barrat.

MINNEAPOLIS—Citizens' National Bank; C. F. Rees, Pres., in place of V. D. Rees; A. F. Shepard, Vice-Pres., in place of F. C. Rees.

NEWTON—First State Bank; business transferred to First National Bank.

KENTUCKY.

DANVILLE—Citizens' National Bank; capital reduced to $100,000.

HOPKINSVILLE—First National Bank; capital stock reduced to $50,000.

LOUISVILLE—German Bank; capital reduced to $250,000.——Union National Bank; L. O. Cox, Pres., in place of Geo. W. Swearingen, resigned.

WINCHESTER—Winchester Bank; capital reported reduced to $100,000.——Clark County National Bank; John W. Bean, Pres., deceased.

LOUISIANA.

SHREVEPORT—Commercial National Bank; H. H. Youree, Vice-Pres., in place of W. E. Hamilton.

MAINE.

NORTH BERWICK—North Berwick National Bank; Theodore Gould, Cas., in place of Chas. W. Greenleaf, deceased.

MARYLAND.

BALTIMORE—Second National Bank; W. E. Wagner, Cas., in place of John H. Bawden, deceased; Louis Kann, elected director.——National Union Bank; F. C. Dreyer, Cas., in place of J. S. Westerman.——Third National Bank; N. B. Medairy, Asst. Cas.

DENTON—People's National Bank; Fred R. Owens, Vice-Pres.; Geo. L. Wallace, Cas.

HAGERSTOWN—People's National Bank; Chas. Edward Hilliard, Cas., in place of A. B. Barnhart; no Asst. Cas. in place of Chas. Edward Hilliard.

MASSACHUSETTS.

BOSTON—Tremont National Bank; no Pres. in place of Aaron Hobart, deceased.——Columbian National Bank; E. D. Sercomb, Cas., in place of L. W. Burlen.——National Bank of the Republic; Chandler Robbins, Asst. Cas.——Blackstone National Bank; H.W. Asbrand, Asst. Cas.——Eliot National Bank: W. J. Mandell, Asst. Cas.

BROOKLINE — Brookline National Bank Reuben S. Swan, Vice-Pres. in place of Francis H. Swan; W. S. Kemp, Cas. in place of R. S. Swan.

HOLLISTON—Holliston Savings Bank; Geo

A. Bartlett, Pres. in place of Chas. F. Thayer.

LOWELL—First National Bank; Walter L. Parker, Pres. in place of Wm. H. Parker, deceased.

MARLBOROUGH — People's National Bank; corporate existence extended until Oct. 31, 1918.

MIDDLEBORO—Middleboro Savings Bank; James H. Harlow, Pres.; Matthew H. Cushing, Vice-Pres.

PITTSFIELD—Agricultural National Bank; W. M. Crane, Pres. in place of J. L. Warriner, deceased; W. R. Plunkett, Vice-Pres. in place of W. M. Crane.

SALEM—Salem Five Cents' Savings Bank; Francis Cox, Vice-Pres., deceased.

WORCESTER — City National Bank; Calvin Foster, Pres., deceased.

MICHIGAN.

GRAND RAPIDS — Grand Rapids National Bank; Freeman Godfrey, Sr., Vice-Pres., deceased.

MINNESOTA.

MINNEAPOLIS — Northwestern National Bank; James S. Bell, elected director.

NEW RICHLAND — People's Bank; capital, $25,000; L. H. Severin, Pres.; W. E. Albertson, Cas.; I. W. Dieckhoff, Asst. Cas.

MISSOURI.

KANSAS CITY—American National Bank; R. W. Jones, Jr. Pres. in place of Geo. F. Putnam.

ST. LOUIS — German Savings Institution; John Wahl, Pres. in place of Fred W. Meister, deceased.

NEBRASKA.

MINDEN—First National Bank; N. C. Rogers, Pres. in place of Otto Abrahamson; Otto Abrahamson, Vice-Pres. in place of Louis Anderson; W. E. Chapin, Cas. in place of L. Newell.

NEW JERSEY.

DOVER—People's National Bank; E. W. Rosevear, Cas.

TRENTON—First National Bank; Arthur H. Wood, Cas. in place of Charles Whitehead.

NEW YORK.

GOSHEN—Goshen Savings Bank; W. D. Van Vliet, 1st Vice-Pres. in place of Floyd H. Reeves, deceased; Charles G. Elliott, 2d Vice-Pres. in place of W. D. Van Vliet; Henry B. Knight, Sec. & Treas. in place of Dudley Murray, deceased.

HAMBURG — Bank of Hamburg; Otto Churchill, Cas. in place of H. S. Spencer, deceased.

LITTLE FALLS—Little Falls National Bank; corporate existence extended until November 18, 1918.

NEWARK—First National Bank; Daniel P. Smith, Pres. in place of Fletcher Williams, deceased; Frank Garlock, Vice-Pres. in place of Sarah H. Williams.

NEW YORK—Tradesmen's National Bank; D. H. Bates, Pres. in place of James Macnaughtan; no Vice-Pres. in place of D. H. Bates.——Nassau Bank; Wm. H. Rogers, elected director.——H. K. Burras & Co.; firm name changed to Burras & Klopfer.——W. N. Coler & Co.; Wm. N. Coler, Jr., and James Campbell, retired.——Probst, Wetzlar & Co.; Gustave J. Wetzlar, deceased.——Manhattan Company; J. T. Baldwin, Cas., retired.

ONEIDA—National State Bank; corporate existence extended until October 31, 1918.

ROCHESTER—Union Bank; Gilman H. Perkins, Pres., deceased; also director Rochester Trust & Safe Deposit Co.

TARRYTOWN—Westchester County Savings Bank; Benson Ferris, Pres., deceased.

TROY — Manufacturers' National Bank; Samuel O. Gleason, Cas., resigned.

UTICA—Utica City National Bank; Henry W. Miller, Vice-Pres. in place of E. A. Tallman, deceased.

WARWICK—First National Bank; P. E. Sanford, Vice-Pres. in place of Grinnell Burt.

NORTH DAKOTA.

LEEDS—State Bank; A. M. Iverson, Cas., in place of N. I. Romnes.

NORTH CAROLINA.

GREENSBORO—Bank of Guilford; R. W. Brooks, Pres. in place of D. F. Caldwell, resigned.

OHIO.

COLUMBUS—Commercial National Bank; W. F. Goodspeed, Vice-Pres. in place of T. Ewing Miller.

SPRINGFIELD—Springfield National Bank; P. P. Mast, Pres., deceased.

STEUBENVILLE—Commercial National Bank; A. S. Buckingham, Cas. in place of James Gregg.

TROY—First National Bank; C. T. Brown, Vice-Pres. in place of Jacob Rohrer.

WILMINGTON—Clinton County National Bank; J. W. Denver, Cas., deceased.

OREGON.

PORTLAND—Ainsworth National Bank; W. W. Phillips, Cas. in place of J. P. Marshall.——First National Bank; Henry Failing Pres., deceased.

PENNSYLVANIA.

CARLISLE—Carlisle Deposit Bank; Lewis F. Lyne, Sec.

EPHRATA—Farmers' National Bank; Adam Geist, Pres. in place of H. J. Meixell.

HANOVER—First National Bank; Wm. R. Hornor, Cas. in place of John H. Alleman.

MAHANOY CITY—Union National Bank; H. Ball, Pres. in place of Andrew Comrey.

MCKEES ROCKS—First National Bank; O. G. Schultz, Vice-Pres.; E. C. Kleinman, Second Vice-Pres.

PHILADELPHIA—Eighth National Bank; C. B. Cooke, Cas. in place of James A. Irwin.——National Bank of Germantown; Chas.

W. Otto, Pres. in place of Wm. Wynne Wister; Canby S. Tyson, Vice-Pres. in place of Chas. W. Otto.——German-American Title and Trust Co.; Arno Leonhardt elected director.

PITTSBURG—Dime Savings Bank; title changed to Western Savings & Deposit Bank.

TAMAQUA—First National Bank; E. J. Fry, Pres., deceased.

WILLIAMSPORT—West Branch National Bank; Allen P. Perley, Pres., in place of Henry C. Parsons, deceased.——Savings Institution of Williamsport; Henry C. Parsons, Vice-Pres., deceased.

RHODE ISLAND.

PROVIDENCE—Commercial National Bank; Andrew Comstock, Pres., deceased.

SOUTH CAROLINA.

ROCK HILL—First National Bank and Savings Bank of Rock Hill; succeeded by National Union Bank.

TENNESSEE.

CLARKSVILLE—Northern Bank of Tennessee; W. B. Anderson, Pres.. in place of D. N. Kennedy.

KNOXVILLE—Union Bank; W. H. Geers, Pres., in place of W. L. Welker; Oscar M. Tate, Cas., in place of W. H. Geers,

TEXAS.

BEEVILLE—Commercial National Bank; John W. Flournoy, Pres., in place of D. C. Stone.

CLEBURNE—National Bank of Cleburne; J. S. Corley, Cas., in place of E. T. Kelly.

FORT WORTH—American National Bank; G. H. Colvin, Cas., in place of J. M. Logan.——First National Bank; W. E. Connell, Cas., in place of E. B. Harrold; T. W. Slack, Asst. Cas., in place of W. D. Peck.

GREENVILLE—First National Bank and City National Bank consolidated under former title; J. V. W. Holmes, Cas.

SEGUIN—First National Bank; Walter L. Johnson, Cas., in place of Geo. W. Vaughan.

VERMONT.

HARDWICK—Hardwick Savings Bank & Trust Co.; W. B. Crandall, Treas., in place of P. J. Cowles.

WISCONSIN.

MILWAUKEE — Milwaukee Clearing-House; Johnson McClure, Mgr., deceased.

SHEBOYGAN—Citizens' State Bank; A. D. De Land, Pres.: Emil Ludwig, Vice-Pres.

CANADA.

BRITISH COLUMBIA.

GREENWOOD—Bank of British North America; James Anderson, Mgr.——Canadian Bank of Commerce; D. A. Cameron, Mgr.

ONTARIO.

ALMONTE—Bank of Montreal; R. W. Travers, Mgr. in place of A. J. Depuy.

DESERONTO—Bank of Montreal; F. J. Cockburn, Mgr. in place of F. W. Taylor.

WALLACEBURG - Bank of Montreal; A. J. Depuy, Mgr.

NOVA SCOTIA.

AMHERST—Bank of Montreal; A. Montizambert, Mgr.

HALIFAX—Bank of Montreal; W. B. Craveley, Mgr.

NORTHWEST TERRITORY.

CALGARY—Bank of Montreal; J. O. Wilgress, Mgr.

NEW BRUNSWICK.

NEWCASTLE—Bank of Nova Scotia; C. D. Freeman, Mgr.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

CALIFORNIA.

SAN DIEGO—California National Bank; Wm. J. Cook, Receiver in place of Andrew J. O'Connor, deceased.——Consolidated National Bank; Wm. J. Cook, Receiver in place of Andrew J. O'Connor, deceased.

SAN FRANCISCO—Tallant Banking Co.; assets transferred to Crocker-Woolworth National Bank.

ILLINOIS.

ALBION—Edwards County Bank.

JACKSONVILLE—First National Bank; in voluntary liquidation November 30.

INDIANA.

JONESBORO—State Bank; in voluntary liquidation.

KANSAS.

EMPORIA—First National Bank; in hands of Charles S. Jobes, Receiver, November 16.

MADISON—State Bank.

MASSACHUSETTS.

BOSTON—Boston National Bank; voted to go into liquidation; absorbed by National Shawmut Bank.

MICHIGAN.

PONTIAC—Pontiac National Bank; in voluntary liquidation November 19.

NEW YORK.

CARTHAGE—First National Bank; Edward N. Smith Receiver in place of Josiah Van Vranken.

HORNELLSVILLE—Bank of Hornellsville; in voluntary liquidation November 28.

OHIO.

FLUSHING—First National Bank; Henry M. Davies Receiver in place of James W. De Lay.

SOUTH CAROLINA.

CHARLESTON—American Savings Bank; in hands of Receiver December 5.

WASHINGTON.

SPOKANE FALLS—Citizens' National Bank; Arthur J. Shaw Receiver in place of R. E. M. Strickland, resigned.

CANADA.

BRITISH COLUMBIA.

SLOCAN—Bank of British North America; branch discontinued.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, December 4, 1898.

PROSPERITY AND INCREASED ACTIVITY are the prevailing conditions in business at the present time. Causes which long have been existent have at last become operative. Two years of large crops with fair to high prices laid the basis of prosperity; but the precipitation of a foreign war delayed the realization of its advantages. The present situation fully justifies the belief frequently expressed, that but for our war with Spain this country would have witnessed a revival in business in 1898 such as rarely has been experienced.

The earliest event of the month that had an influence upon confidence was the election. While the result to an unusul degree brought both joy and disappointment to the same individual, nevertheless in one particular the general sentiment recognized a victory for the best interests of the people. Both branches of Congress will have a clear working majority for a sound currency, and it will take probably six years at least to get the Senate again on the side of silver or any other form of cheap money, if it be accomplished at all. It has caused surprise and no little criticism in financial circles that following a decisive vote in favor of a gold standard an official of the United States Treasury Department should include in his annual report an essay on bimetallism, with decided leanings toward doing something for silver. It is felt that the United States has gone far enough in the direction of bimetallism, and that aside from any question of the theory of virtue in a double standard, practically there is only one thing for this country to do now, and that is to stand squarely and firmly upon the single-gold standard platform until other countries sue for compromise.

Never before was the supply of gold in the United States as large as it is now, and never before was the supply increasing as fast as it is now. The domestic production of gold is now near the maximum point, while for the greater part of the past two years we have been importing gold.

For fifteen consecutive months to October 31 our imports of gold have exceeded the exports, and during the next few months it is probable that we will import still more. But in the fifteen months we have gained by import nearly $153,000,000 gold. On the other hand European countries generally have been losing gold. The Bank of England on November 1, 1898, held $25,000,000 less gold than on August 1, 1897; the Bank of France $35,000,000 less; the Bank of Germany $23,000,000 less, and the Bank of Austro-Hungary $18,000,000 less.

Those countries have been receiving gold from Africa, Australia, and other gold-producing countries, so that they have not suffered from the heavy drain of gold to this country.

Never in the previous history of the United States has there been such a remarkable expansion of our gold currency. While we imported nearly $153,000,000 of gold since July 31, 1897, our mines have supplied $75,000,000 additional to increase the volume of currency. The following statement shows by months the net imports of gold, and the increase of gold in the United States Treasury, in circulation and in the country since August 1, 1897 :

MONTH.	*Gold imports.*	*Increase of gold in U. S. Treasury.*	*Increase of gold in circulation.*	*Increase of gold in the United States.*
August, 1897	$2,736,981	$3,398,678	$2,565,171	$5,963,849
September, 1897	4,580,259	3,446,729	6,130,960	9,577,689
October, 1887	11,462,172	5,910,042	11,090,750	17,000,792
November, 1897	2,354,576	3,790,704	5,132,095	8,922,799
December, 1897	2,004,409	3,547,695	2,905,892	6,453,587
January, 1898	3,834,751	3,325,246	3,953,634	7,278,880
February, 1898	5,132,269	3,386,390	2,245,988	5,632,378
March, 1898	29,979,613	6,960,933	28,123,270	35,084,203
April, 1898	31,256,134	6,654,021	34,541,568	41,195,589
May, 1898	13,212,954	*9,420,082	32,464,581	23,044,499
June, 1898	2,955,083	*4,813,645	11,325,429	6,511,784
July, 1898	1,171,795	22,440,305	*15,840,786	6,599,519
August, 1898	13,366,119	28,459,770	*14,773,558	13,686,212
September, 1898	13,740,096	25,393,059	*8,122,454	17,270,605
October, 1898	14,947,432	*3,412,380	27,141,915	23,729,535
Total fifteen months	$152,734,643	$99,067,465	$128,884,455	$227,951,920

* Decrease.

The Government has added to its gold holdings $99,000,000 in the fifteen months ended October 31, while nearly $129,000,000 has been added to the amount in circulation.

It does not seem possible that only about two years ago there was widespread apprehension that the supply of gold was not only too small for monetary purposes but that the source of supply was narrowing. There was some cause for the fear, for in the previous two years there had been both contraction of the currency and a loss of gold. The following statement shows the total supply of money and the amount and percentage of gold and silver on February 28, 1894, when the supply was the largest prior to 1897; on July 31, 1896, when the period of contraction came to an end, and on October 31, 1898:

MONTH.	*Total supply of Money.*	*Stock of gold.*	*Stock of silver.*	*Percentage of total currency.*	
				Gold. per cent.	*Silver. per cent.*
February 28, 1894	$1,851,520,250	$674,298,180	$623,066,534	36.42	33.65
July 31, 1896	1,794,290,732	595,206,169	626,273,505	33.18	34.90
October 31, 1898	2,149,626,933	925,070,799	638,245,962	43.03	29.70

Since July 31, 1896, the gold portion of our currency has increased about $330,000,000 and the silver portion $12,000,000. Gold now constitutes 43 per cent. of the total supply of money. Two years ago it was only 33 per cent. In the same time silver has fallen from nearly 35 per cent. to less than 30 per cent. of the total.

The change in the condition of the Treasury as a consequenee of the large influx of gold is even more striking. We add one more date just prior to the bond issue of February, 1894:

MONTH.	*Money in the U. S. Treasury.*	*Gold.*	*Silver.*
January 31, 1894	$108,372,617	$65,650,175	$25,828,365
February 28, 1894	160,845,098	106,527,068	36,412,068
July 31, 1896	279,387,590	110,718,746	89,004,944
October 31, 1898	288,051,151	239,885,163	18,182,420

With a large cash balance in the Treasury, and practically all of it gold, the Government is in a secure position and therefore well prepared to take up the currency question and dispose of it once for all. Public opinion seems to favor prompt action. The Government is doing nothing now towards contracting the currency, and unless there is a reduction in war disbursements the Treasury will be putting money into circulation for a while. The revenues were $10,000,000 less than the expenditures last month—the smallest deficit in seven months, but the war and navy expenditures were more than $25,000,000—or only about $3,000,000 less than in October. However, this is a substantial reduction from the disbursements in earlier months. In July the Government disbursed $43,000,000 for war and navy puposes, and about $32,000,000 in each of the months of August and September.

Since June 1 the revenues have shown a deficit of $98,000,000, all but about $8,000,000 of which is now reflected in the increase in the net debt. About one-half of the proceeds of the recent bond issue has been used therefore; but aside from the $100,000,000 reserved for the redemption of legal-tender notes, the Government still has a balance of nearly $200,000,000. Even without its war revenues the Treasury has no financial difficulties now confronting it.

The acceptance by Spain of the terms offered by the American Peace Commissioners settles all questions of a renewal of war operations. The United States will pay $20,000,000 for all the Philippines, but the disbursement of that sum will neither derange the Treasury finances nor have any important effect on our exchange market. The latter has been artificially supported for some time past by purchases of sterling exchange for investment. Our tremendous trade balances, however, are discouraging those purchases now, and engagements of gold for shipment to New York were reported at the close of the month.

The records of our foreign commerce are without any parallel in the previous history of the country. The exports of merchandise in October—the latest month for which the totals have been reported—aggregated in value nearly $119,000,000, an amount exceeded only once—in December, 1897, when the total was $125,000,000. The exports exceeded the imports by more than $66,000,000, making the excess since January 1 $460,000,000. There is reasonable prospect that the net exports for the calendar year 1898 will reach close to $600,000,000. Such a balance is extraordinary; still, in the twelve months ended October 31 the actual figures are $598,078,226.

The heavy imports of gold following our large trade balances and the addition of the output of our mines to the supply of gold, have aided in keeping our local money market in a state of ease, notwithstanding the great activity in trade and exceptional increase in bank clearings. On November 15 the exchanges in New York aggregated nearly $241,000,000, closely approximating the high record of $288,000,000 made on February 28, 1881, when a larger proportion of the Stock Exchange transactions entered the clearing-house records.

While our money market has been easy, there has been an advance in rates in some of the European markets. The Bank of Germany on November 19 advanced its rate of discount to 6 per cent., the highest rate since 1882. The advance was not followed, however, by other European banks or even by the local market.

There was a decided change in the situation as reflected by Stock Exchange operations. The sales of stocks in November aggregated nearly 11,000,000 shares as compared with less than 7,500,000 shares in October and about 6,000,000 shares in November, 1897. The sales of railroad bonds—including miscellaneous other than Government and State—were larger in November than in any previous month, the total par value being about $106,000,000. This is an increase of $50,000,000 over October and of $73,000,000 over November, 1897. Prices also advanced all along the line.

The iron trade is again showing the effect of better times. Steel rail manufacturers have agreed to advance the price to $20 per ton, and late in the month orders for 500,000 tons of standard rails have been placed, making $10,000,000 already contracted for. The weekly output of pig iron increased from 215,685 tons on October 1 to 228,985 tons on November 1, an increase of more than 22,000 tons in the last three months.

National Banks of the United States.—The abstract of the reports of the National banks of the United States for September 20, as published by the Comptroller of the Currency, shows 3,585 banks in operation, an increase of three since July 14, but a decrease of twenty-five in the past twelve months and of 245 since May, 1893. There was a decrease of $498,850 in capital stock since he July report and of $9,970,200 since October 5, 1897. The deposits continue to increase and exceed in amount all previous records. Individual deposits increased $8,000,000 since July and are $178,000,000 greater than they were a year ago. The amount due to other banks decreased about $21,500,000 since the last previous report was made, but the amount is nearly $53,000,000 larger than on October 5, 1897.

For the first time the total resources of the National banking system exceed $4,000,000,000, of which $1,000,000,000 are held by the banks in New York State alone. New York city, including Brooklyn, has about $868,000,000, Boston $277,000,000, Philadelphia $192,000,000, and Chicago $202,000,000. No other city has as much as $100,000,000.

It is interesting to note the increase in Government bonds held by the National banks since the Government placed its new loan of $200,000,000. On May 5, 1898, before the issue was authorized, the total holdings of Government bonds by these banks amounted to $260,000,000. On September 20 the total was $339,000,000, a net increase of $79,000,000, all of which increase—and probably more beside—is represented in the new 3 per cent. bonds, for the banks that have gone into liquidation or reducing circulation have been surrendering old bonds.

The Comptroller of the Currency's statement for November 30 shows that the National banks held $40,136,280 of the new bonds to secure bank circulation and $28,363,800 to secure public deposits, making a total of more than $68,000,000 without taking into account bonds otherwise held. This amount represents 36 per cent. of the total outstanding, while the National banks hold only 22 per cent. of the $100,000,000 5 per cents issued in 1894, and only 19 per cent. of the $162,000,000 4 per cents issued in 1895. Were the holdings of all other financial institutions ascertained, the pretence that the last loan was "popular" would have to be abandoned.

Condition of the National Banks of the United States.

	Capital.	*Surplus.*	*Individual deposits.*	*Gold.*	*Silver.*	*Legal tenders.*
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	247,889,567	1,639,688,393	181,020,260	44,520,448	156,978,612
Mar. 9, 1897	642,424,195	247,180,061	1,669,219,961	188,304,755	45,644,107	186,832,852
May 14, 1897	637,002,395	246,736,684	1,728,083,971	190,396,251	45,680,082	174,144,992
July 23, 1897	632,153,042	246,403,782	1,770,480,563	193,686,596	47,236,005	172,596,020
Oct. 5, 1897	631,488,095	246,845,020	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	1,982,660,988	222,855,517	48,522,409	169,515,185
May 5, 1898	624,471,670	247,695,979	1,999,308,439	267,644,954	49,537,319	143,088,681
July 14, 1898	622,016,745	247,985,215	2,023,357,159	284,921,377	50,755,753	135,299,997
Sept. 20, 1898	621,517,895	247,555,108	2,031,454,540	250,670,426	43,203,782	126,848,800

The Money Market.—Rates for money advanced during the month but towards the close declined and there is little prospect of any stringency during the remainder of the year. Any material advance in rates would stimulate gold imports, which have been avoided only through the investment purchases of sterling. Considerable time money is being offered on account of outside institutions.

At the close of the month call money ruled at 2 to 2½ per cent., the average rate being about 2¼ per cent. Banks and trust companies quote 2¼ per cent. as the minimum. Time money on Stock Exchange collateral was quoted at 3 per cent. for 60 to 90 days, 3½ per cent. for four to five months, and 3½ per cent. for six to seven months. For commercial paper the rates are 3¼ @ 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 4 @ 5 per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	July 1.	*Aug. 1.*	*Sept. 1.*	*Oct. 1.*	*Nov. 1.*	*Dec. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	1 –1¼	1 –1½	2 –2½	3 –4	1½–2	2 –2½
Call loans, banks and trust companies	1½–	1½–	2½–	3½–4	2 –	2½–3½
Brokers' loans on collateral, 30 to 60 days	2½ –	2½–	2½ –3	3½–	2½–	3 –
Brokers' loans on collateral, 90 days to 4 months	2½–3	2½–3	3½–4	3½–4	2½–3	3 –3½
Brokers' loans on collateral, 5 to 7 months	3 –3½	3 –3½	4 –	4 –	3 –3½	3½ –
Commercial paper, endorsed bills receivable, 60 to 90 days	3 –3½	3½–3¾	4 –	3¾–4¼	3¼–3½	3¼–3½
Commercial paper prime single names, 4 to 6 months	3½–4	3¾–4¼	4 –5	4 –4½	3½–4¼	3½–4
Commercial paper, good single names, 4 to 6 months	4½–5½	4½–5½	5 –6	5 –6	4½–5	4 –5

NEW YORK CITY BANKS.—The weekly statements of the clearing-house banks of New York show the extraordinary activity that is now prevailing in business circles. Twice in the last three weeks have the weekly clearances exceeded $1,000,000,000, and during the week in which Thanksgiving Day intervened the ex-

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Nov. 5 ...	$678,845,100	$157,428,800	$58,866,100	$769,067,400	$19,028,050	$15,633,800	$870,398,400
" 12...	687,867,400	156,406,000	52,855,800	777,000,000	15,011,800	15,789,100	847,498,500
" 19...	693,785,200	159,358,600	58,922,000	786,432,900	16,667,875	15,971,100	1,095,708,500
" 26...	691,419,800	158,481,500	55,558,400	782,729,800	18,357,575	16,330,900	885,664,500
Dec. 3...	697,747,400	158,462,300	56,017,100	789,525,800	17,097,950	16,439,200	1,001,138,114

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	$83,286,950	$675,064,300	$15,788,750
February	490,447,300	39,623,400	563,331,800	59,148,350	722,484,300	35,609,450
March	489,612,300	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	35,720,800
May	495,004,100	22,944,375	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	696,006,400	53,704,600
July	499,046,900	20,328,375	604,983,700	41,384,375	750,074,600	62,013,550
August	485,014,000	17,728,600	623,045,000	45,720,150	741,680,100	41,904,475
September	451,934,800	8,836,300	636,996,000	39,517,700	752,389,800	14,990,050
October	454,733,100	16,526,025	619,353,300	15,550,400	702,128,300	15,327,150
November	446,445,900	17,463,325	625,339,000	24,271,800	761,574,300	26,091,550
December	490,634,300	31,411,025	666,278,000	23,122,950	789,525,800	17,097,950

Deposits reached the highest amount, $789,525,800 on December 3, 1898, loans, $697,747,400, on December 3, 1898, and the surplus reserve $111,623,000 on February 3, 1894.

changes averaged $167,000,000 a day. Again deposits and loans have made new records, each of these items being larger on December 3d than at any previous time. In the last five weeks loans have increased $30,500,000 and deposits $28,000,000. The banks have $3,000,000 less specie and $1,000,000 more legal tenders than they held a month ago, while the surplus reserve has decreased $9,000,000.

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.*
Nov. 5......	$62,746,200	$68,254,500	$3,263,500	$3,963,600	$8,574,900	$2,818,500	$1,571,875
" 12......	63,806,400	68,848,500	3,357,400	4,265,600	9,137,700	2,876,600	2,425,175
" 19......	62,467,600	69,102,600	3,425,900	4,198,900	8,408,800	3,456,400	2,211,350
" 26......	62,884,500	69,583,500	3,418,300	4,249,100	8,227,800	3,739,400	2,288,725
Dec. 3......	62,276,000	69,479,500	3,514,000	4,407,200	8,586,400	3,741,100	2,874,825

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.*
Nov. 5........	$185,782,000	$215,064,000	$16,225,000	$6,836,000	$6,101,000	$153,052,600
" 12........	184,118,000	214,068,000	16,511,000	7,146,000	5,906,000	116,823,900
" 19........	182,160,000	217,063,000	16,822,000	7,343,000	5,872,000	127,863,600
" 26........	183,784,000	214,273,000	16,647,000	7,321,000	5,864,000	100,333,900
Dec. 3........	184,439,000	215,965,000	16,537,000	7,476,000	5,816,000	120,791,300

PHILADELPHIA BANKS.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Nov. 5....................	$123,183,000	$140,441,000	$42,537,000	$5,941,000	$73,483,000
" 12....................	123,007,000	141,612,000	42,050,000	5,922,000	67,785,200
" 19....................	123,055,000	143,320,000	43,282,000	5,946,000	83,501,700
" 26....................	123,297,000	141,218,000	41,596,000	6,015,000	68,749,000
Dec. 3....................	123,238,000	141,556,000	41,919,000	6,039,000	85,816,500

EUROPEAN BANKS.—The Bank of England gained about $3,000,000 gold during the past month and the Bank of Germany $5,000,000, while the Bank of France lost $2,000,000. The Bank of England alone of the principal European banks holds about as much gold as was held a year ago. France losing $25,000,000, Germany $15,000,000, Austro-Hungary $13,000,000, and Russia $90,000,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	January 1, 1898.		*November 1, 1898.*		*December 1, 1898.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England............	£30,453,493	....	£31,608,431	....	£31,189,673	....
France............	78,114,972	£48,230,367	73,656,191	£49,120,128	73,259,836	£48,668,860
Germany............	29,316,000	15,102,000	24,780,000	12,765,000	25,758,000	13,270,000
Austro-Hungary...	36,475,000	12,334,000	35,332,000	12,501,000	35,592,000	12,467,000
Spain............	9,431,000	10,300,000	11,051,000	5,350,000	11,062,000	6,457,000
Netherlands	2,629,000	6,820,000	4,315,000	6,671,000	4,815,000	6,694,000
Nat. Belgium.......	2,824,000	1,412,000	2,845,000	1,423,000	2,932,000	1,466,000
Totals..........	£189,243,465	£94,198,367	£183,637,622	£87,830,128	£185,108,509	£89,022,860

Money Rates Abroad.—The only important increase in the rate of discount by a European bank last month was the advance from 5 to 6 per cent. by the Bank of Germany. The Bank of England still maintains its rate at 4 per cent. The open market rates on the Continent have generally advanced. Discounts of sixty to ninety day bills in London at the close of the month were 3½ @ 3⅝ per cent. against 3⅞ @ 4 per cent. a month ago. The open rate at Paris was 3 per cent. against 2¾ per cent. a month ago, and at Berlin and Frankfort 4½ per cent. against 5⅛ @ 5¼ per cent. a month ago.

Money Rates in Foreign Markets.

	June 10.	July 8.	Aug. 19.	Sept. 16.	Oct. 14.	Nov. 18.
London—Bank rate of discount.....	3	2½	2½	2½	4	4
Market rates of discount:						
60 days bankers' drafts......	1⅝—7/16	1⅛	1 7/16	1⅞	3⅝	3¾
6 months bankers' drafts....	1⅞—2	2	2⅜	2½	3½—⅝	3
Loans—Day to day...........	1	½	1	½	2½	2½
Paris, open market rates............	1¾	1¾	1¾	1 11/16	2	3
Berlin, "	3½	3⅝	3¼	3⅝	3⅞	4⅞
Hamburg, "	3½	3⅝	3¼	3¼	4	5¼
Frankfort, "	3½	3⅝	3¼	3⅞	4	5⅜
Amsterdam, "	2½	2⅛	2¼	2	2	2⅝
Vienna, "	3⅞	3⅞	3⅞	4	4	4½
St. Petersburg, "	5¼	5	4½	4	4	5½
Madrid, "	5	5	5	5	5	5
Copenhagen, "	4½	4½	3½	3½	4½	5

Bank of England Statement and London Markets.

	Aug. 17, 1898.	Sept. 14, 1898.	Oct. 12, 1898.	Nov. 16, 1898.
Circulation (exc. b'k post bills)..........	£28,012,080	£27,429,180	£27,704,575	£27,043,175
Public deposits............................	7,802,908	8,349,941	7,176,652	5,804,566
Other deposits............................	42,440,108	40,246,040	36,464,251	35,244,984
Government securities....................	13,858,643	13,413,593	12,901,640	9,904,640
Other securities..........................	30,774,206	29,589,405	28,240,396	26,779,448
Reserve of notes and coin................	23,772,837	24,021,628	20,291,376	22,195,937
Coin and bullion..........................	34,984,867	34,650,808	31,195,951	32,439,112
Reserve to liabilities....................	47¼%	49⅜%	46 5/16%	53⅝%
Bank rate of discount..................	2½%	2½%	3%	4%
Market rate, 3 months' bills.............	1 7/16 @ 1½%	1 13/16 @ 1⅞%	3⅝%	3¼ @ 3 5/16
Price of Consols (2¾ per cents.)..........	110⅝	109⅞	109⅜	110¼
Price of silver per ounce................	27½d.	28d.	27¾d.	28d.
Average price of wheat...................	33s. 8d.	26s. 10d.	26s. 6d.	28s. 4d.

Foreign Exchange.—Rates for sterling exchange have declined during the past month, and on December 3d were about where they were on October 1st. The heavy movement of grain and cotton has brought considerable offerings of bills on the market. While the decline in sterling suggests a renewal of the gold import

Foreign Exchange—Actual Rates on or about the First of Each Month.

	August 1.	Sept. 1.	Oct. 1.	Nov. 1.	Dec. 1.
Sterling Bankers—60 days	4.83¼— ½	4.82¾— 3	4.81½— ¾	4.82 — ½	4.81¼— ½
" " Sight........	4.85 — ¼	4.84¾— 5	4.84 — ¼	4.85½— ¾	4.84¼— ½
" " Cables.......	4.85¼— ½	4.85¼— ½	4.84½— ¾	4.86½— ¾	4.84⅞— 5
" Commercial long	4.82¾— 3	4.82¼— ½	4.81 — ¼	4.81½— ¾	4.80½— 1
" Docu'tary for paym't.	4.82¼— ½	4.81¾— 2¼	4.80½— 1¼	4.81 — 2	4.80¾— 1¼
Paris—Cable transfers	5.19⅜—	5.20 1/16—20	5.21⅞— ¼	5.20⅝—	5.21¼—
" Bankers' 60 days.........	5.21⅞— ¼	5.22½—	5.23¾—	5.24⅜— 3¾	5.24⅜—
" Bankers' sight...........	5.20 —19⅞	5.20⅝—	5.22½— 1⅞	5.21⅞— ¼	5.21⅞—
Antwerp—Commercial 60 days.	5.23¾—	5.24⅜— 3¾	5.26⅞— ½	5.26¼—	....
Swiss—Bankers' sight...........	5.21¼—20⅝	5.21⅞—	5.23⅛— 2½	5.23⅛— 2½	5.24⅜— 3¾
Berlin—Bankers' 60 days........	94 9/16— ⅝	94⅜— 7/16	94¼— 5/16	94¼— 5/16	94 3/16—94¼
" Bankers' sight...........	95 1/16— ⅛	95 —	94⅞— 15/16	94⅞— 15/16	94⅞— 15/16
Belgium—Bankers' sight.........	5.20 —	5.21¼—	5.23⅛—	5.23¾—	5.23⅝—23¼
Amsterdam—Bankers' sight....	40¼— 5/16	40 3/16— ¼	40 1/16— ⅛	40 1/16— ⅛	40 — 1/16
Kronors—Bankers' sight	26 13/16— ⅞	26 13/16— ⅞	26¾— 13/16	26¾— 13/16	26¾— ⅞
Italian lire—sight..............	5.61⅛—58⅞	5.58¾—55¾	5.62½—59⅜	5.66½— 2½	5.55 —50

movement which engagements made in London late in the month further attest, still London is making gold shipments as expensive as possible by advancing the price of gold, and Germany is calling for gold also.

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.
Nov. 5	4.82½ @ 4.82¾	4.85¾ @ 4.86	4.86½ @ 4.86¾	4.82 @ 4.82¼	4.81½ @ 4.82½
" 12	4.82¼ @ 4.82½	4.85½ @ 4.85¾	4.86¼ @ 4.86½	4.81¾ @ 4.82	4.81 @ 4.82
" 19	4.82¼ @ 4.82½	4.85½ @ 4.85¾	4.86 @ 4.86¼	4.81¾ @ 4.82	4.81¼ @ 4.82¼
" 26	4.81¾ @ 4.82	4.84¾ @ 4.85	4.85½ @ 4.85¾	4.81¼ @ 4.81½	4.80½ @ 4.81½
Dec. 3	4.81½ @ 4.81¾	4.84¼ @ 4.84½	4.84¾ @ 4.85	4.80¾ @ 4.81	4.80¼ @ 4.81

National Bank Circulation.—The volume of bank notes in circulation increased $3,155,757 last month, making an increase of more than $16,000,000 since July 31, covering the period of the issue of the new bonds. As more than $40,000,000 of the 3 per cents of 1898 are now deposited to secure circulation, the effect of the new issue has been to add about $36,000,000 to the note circulation, part of it taking the place of notes retired. The deposits of lawful money to retire circulation are still falling off, being $727,000 less than a month ago and $2,000,000 less than on July 31 last.

NATIONAL BANK CIRCULATION.

	Aug. 31, 1898.	Sept. 30, 1898.	Oct. 31, 1898.	Nov. 30, 1898.
Total amount outstanding	$227,178,615	$235,356,950	$239,546,281	$242,702,088
Circulation based on U. S. bonds	197,839,965	205,056,063	210,579,183	213,928,543
Circulation secured by lawful money	30,402,911	30,300,887	29,500,825	28,773,495
U. S. bonds to secure circulation:				
Pacific RR. bonds, 6 per cent	3,106,000	3,206,000	2,906,000	3,138,000
Funded loan of 1891, 2 per cent	22,005,750	21,730,150	22,047,750	21,975,750
" " 1907, 4 per cent	145,335,600	142,640,700	139,436,050	136,586,550
Five per cents. of 1894	17,461,400	17,219,900	16,231,900	15,596,900
Four per cents. of 1895	26,218,650	24,987,150	23,990,650	21,915,650
Three per cents. of 1898	6,373,760	20,176,220	31,008,120	40,136,280
Total	$220,496,160	$229,960,120	$235,618,470	$239,349,130

The National banks have also on deposit the following bonds to secure public deposits Pacific Railroad 6 per cents., $1,788,000; 2 per cents of 1891, $1,534,500; 4 per cents of 1907 $23,147,500; 5 per cents. of 1894, $6,997,000; 4 per cents. of 1895, $9,437,500; 3 per cents. of 1898 $28,363,800; a total of $71,268,300.

The circulation of National gold banks, not included in the above statement, is $82,765.

Gold and Silver Coinage.—The total coinage of the United States mints in November was $7,845,911, of which $5,006,700 was gold, $2,755,251 silver—$1,402,000 in standard dollars and $83,960 minor coins.

COINAGE OF THE UNITED STATES.

	1897. Gold.	1897. Silver.	1898. Gold.	1898. Silver.
January	$7,803,420	$1,964,800	$3,420,000	$1,624,000
February	10,152,000	1,519,794	4,085,303	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	1,483,000
June	2,100,547	1,856,754	6,903,932	1,432,185
July	377,000	260,000	5,853,900	1,027,834
August	8,756,250	701,486	9,344,200	2,850,000
September	8,762,375	1,050,098	7,385,315	2,178,389
October	8,845,000	2,301,000	5,180,000	3,354,191
November	8,544,000	2,103,000	5,006,700	2,755,251
December	3,626,642	1,977,167		
Year	$76,028,484	$18,486,697	$68,493,712	$19,758,553

SILVER.—The market for silver in London has been weak during the entire month. From 28 5-16d. on November 1st the price declined to 27½d. on November 28, the final price for the month being only 1-16 higher—or 27 9-16d., a decline from the price of a month ago of 11-16d. 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..	30⅝	30⅝	29 11-16	29 11-16	26¾	26 1-16	July......	31⅝	31⅜	27 11-16	26⅝	27⅞	27
February	31 1-16	30¾	29¾	29 11-16	26½	25 5-16	August ..	31⅝	30⅝	26½	26⅝	27¾	27 1-16
March....	31 11-16	31⅛	29⅝	28 3-16	26 1-16	25	Septemb'r	30 11-16	30	27¼	23¾	28 1-16	27 11-16
April.....	31 3-16	30 11-16	28⅛	28 3-16	26 3-16	25 11-16	October..	30 3-16	29¾	27½	26	28¼	27 3-16
May......	31 3-16	30 11-16	28 3-16	27⅝	26⅝	25⅞	Novemb'r	30 3-16	29¾	27½	26⅝	28 5-16	27⅛
June.....	31 5-16	31 5-16	27¾	27⅛	27½	26 11-16	Decemb'r	30	29 11-16	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....................	$ .55	.65	Twenty marks..................	$4.73	$4.76
Mexican dollars.................	.46½	$ .47½	Spanish doubloons............	15.50	15.60
Peruvian soles, Chilian pesos..	.42⅛	.43⅝	Spanish 25 pesos................	4.80	4.86
English silver.....................	4.82	4.86	Mexican doubloons............	15.50	15.60
Victoria sovereigns.............	4.85	4.87	Mexican 20 pesos...............	19.53	19.60
Five francs.......................	.93	.96	Ten guilders.....................	3.96	4.00
Twenty francs....................	3.84	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, 27⅜d. per ounce. New York market for large commercial silver bars, 59⅝ @ 60⅛c. Fine silver (Government assay), 59¾ @ 61¾c.

FOREIGN TRADE.—A new record for October was made for the export trade in that month this year, the value of merchandise exported exceeding $118,000,000. December, 1897, alone exceeds the total for October, the former showing a total of $125,000,000. Eight times in the last fourteen months have the monthly exports exceeded $100,000,000. In the last twelve months the aggregate exports of merchandise were $1,229,000,000, and in the ten months of the calendar year were nearly $988,000,000. None of these figures were ever before equalled. The merchandise imports were larger in October than in a number of months past, but amounted to only about $52,000,000—leaving net exports of $66,000,000, which added to the previous balances make a total since January 1 of $460,000,000 net exports. In the last twelve months we exported $598,000,000 more merchandise than we imported. We imported about $15,000,000 gold in October, making nearly $130,000,000 since January 1. That exceeds any previous record also. Silver exports have

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF OCTOBER.	MERCHANDISE. Exports.	MERCHANDISE. Imports.	MERCHANDISE. Balance.	Gold Balance.	Silver Balance.
1893..................	$87,675,481	$51,735,322	Exp., $35,940,159	Imp., $1,072,919	Exp., $2,089,604
1894..................	83,653,121	60,019,986	" 23,633,135	" 593,685	" 2,988,412
1895..................	87,090,972	75,080,344	" 12,010,628	" 128,852	" 2,128,461
1896..................	118,516,586	50,467,319	" 68,049,267	" 27,825,762	" 2,490,592
1897..................	111,744,517	49,979,712	" 61,764,805	" 11,462,172	" 1,942,014
1898..................	118,686,232	52,374,194	" 66,312,038	" 14,947,432	" 1,980,080
TEN MONTHS.					
1893..................	690,897,354	677,060,694	Exp., 13,836,660	Exp., 9,244,963	Exp., 20,453,084
1894..................	660,271,397	563,610,028	" 96,661,369	" 72,808,323	" 25,330,301
1895..................	645,018,438	676,123,483	Imp., 31,105,045	" 43,247,533	" 23,778,609
1896..................	779,578,476	572,555,608	Exp., 207,022,868	Imp., 37,085,861	" 27,834,253
1897..................	857,982,759	638,734,615	" 219,248,144	Exp., 4,612,574	" 20,667,431
1898..................	987,964,356	527,757,554	" 460,206,802	Imp., 129,596,246	" 19,022,168

fallen off, the net in October being less than $2,000,000, and for the ten months only $19,000,000.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The receipts of the Government in November were $700,000 less than in October, internal revenue receipts falling off nearly $1,000,000. The ordinary receipts were, however, about $14,000,000 more than in November, 1897. Expenditures were nearly $5,000,000 less than in October, 1898, but were $11,000,000 more than in November last year. The deficit for the month is $10,190,065, and in the five months July 1 to November 30 $83,259,408. The expenditures for war and navy in the five months were $160,000,000 as against only about $45,000,000 for the corresponding period in 1897.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.			EXPENDITURES.		
Source.	*November, 1898.*	*Since July 1, 1898.*	*Source.*	*November, 1898.*	*Since July 1, 1898.*
Customs............	$15,335,201	$79,281,514	Civil and mis........	$6,905,766	$44,057,316
Internal revenue...	21,336,743	115,773,021	War..................	20,391,876	127,912,244
Miscellaneous.......	2,228,971	9,502,561	Navy................	4,676,181	32,135,759
			Indians..............	1,225,483	4,776,831
Total.....	$38,900,915	$204,557,096	Pensions............	13,688,919	60,334,990
			Interest............	2,202,755	18,599,364
Excess of expenditures..............	$10,190,065	$83,259,408	Total............	$49,090,980	$287,816,504

UNITED STATES PUBLIC DEBT.—The net debt less cash in the United States Treasury was increased in November $16,500,000, making a total of nearly $115,000,000 increase in the last three months. About $10,000,000 more of the new 3 per cent. bonds were issued, leaving all but about $11,000,000 of the total authorized issue now appearing in the public debt statement.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1898.	*Oct. 1, 1898.*	*Nov. 1, 1898.*	*Dec. 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	559,646,900	559,646,900	559,650,000
Refunding certificates, 4 per cent......	44,220	40,980	40,980	39,250
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
Ten-Twenties of 1898, 3 per cent........	....	142,720,820	179.399,180	189,027,480
Total interest-bearing debt..........	$847,365,620	$990,068,600	$1,028,766,960	$1,036,396,630
Debt on which interest has ceased... ...	1,330,270	1,256,790	1,246,870	1,241,630
Debt bearing no interest:				
Legal tender and old demand notes.....	346,735,363	346,735,013	346,735,013	346,735,013
National bank note redemption acct..	32,268,146	30,072,331	29,572,380	28,593,029
Fractional currency....................	6,886,937	6,883,974	6,883,974	6,883,974
Total non-interest bearing debt......	$385,890,446	$383,691,318	$383,191,367	$382,212,017
Total interest and non-interest debt.	1,234,586,337	1,375,036,708	1,411,205,197	1,419,850,277
Certificates and notes offset by cash in the treasury:				
Gold certificates........................	38,128,149	36,990,799	36,940,149	36,901,049
Silver "	387,925,504	400,062,504	398,753,504	399,163,504
Certificates of deposit.................	44,555,000	18,455,000	20,105,000	20,640,000
Treasury notes of 1890	106,348,280	98,549,280	97,833,280	97,198,280
Total certificates and notes..........	$576,956,933	$554,057,583	$553.631,933	$553,897,833
Aggregate debt	1,811,543,270	1,929,094,291	1,964,837.130	1,973,748,110
Cash in the Treasury:				
Total cash assets	861,391,370	940,136,524	933,249,397	926,117,182
Demand liabilities......................	625,916,601	632,578,021	633,011,122	633,740,392
Balance	$235,474,769	$307,557,503	$300,238,275	$292,376,790
Gold reserve...........................	100,000,000	100,000,000	100,000,000	100,000,000
Net cash balance.......................	135,474,769	207,557,503	200,238,275	192,376,790
Total	$235,474,769	$307,557,503	$300,238,275	$292,376,790
Total debt, less cash in the Treasury.	999,111,568	1,067,479,205	1,110,966,922	1,127,473,487

MONEY IN CIRCULATION IN THE UNITED STATES.—The volume of money in circulation was increased more than $20,000,000 in November, making nearly $95,-

000,000 since September 1 and nearly $166,000,000 since January 1. The increase last month was as follows: In gold $9,000,000, in silver coin and certificates $3,000,000, in legal-tender notes (greenbacks) $5,500,000, and in National bank notes $3,000,000. There was a decrease of $58,000 in gold certificates and of $788,000 in Treasury notes of 1890.

Money in Circulation in the United States.

	Jan. 1, 1898.	*Oct 1, 1898.*	*Nov. 1, 1898.*	*Dec. 1, 1898.*
Gold coin	$547,568,380	$622,649,812	$649,846,727	$658,986,513
Silver dollars	61,491,078	60,788,828	63,437,255	63,980,333
Subsidiary silver	65,720,306	66,587,940	68,878,952	69,997,276
Gold certificates	36,557,689	35,393,909	35,338,909	35,280,649
Silver certificates	376,695,592	393,425,735	391,177,575	392,818,146
Treasury notes, Act July 14, 1890	103,443,936	96,704,283	96,569,780	95,781,482
United States notes	262,480,927	291,660,165	306,301,680	311,736,046
Currency certificates, Act June 8, 1872	43,315,000	17,635,000	20,055,000	20,190,000
National bank notes	223,827,735	231,750,780	234,969,964	238,109,059
Total	$1,721,100,640	$1,816,596,392	$1,866,575,782	$1,886,879,504
Population of United States	73,725,000	74,925,000	75,059,000	75,194,000
Circulation per capita	$23.34	$24.24	$24.87	$25.09

Money in the United States Treasury.—The Treasury reduced its net cash holdings in November $6,000,000 although it gained nearly $2,000,000 in gold. It distributed $1,000,000 of subsidiary silver and issued $1,600,000 of silver certificates, and now has only about $17,000,000 of silver not held against certificates or Treasury notes outstanding, and of that amount nearly $7,000,000 consists of fractional silver. Nearly $5,500,000 of the old legal-tender notes were taken out of the Treasury, and the Government now has only about $15,000,000 in excess of currency certificates outstanding.

Money in the United States Treasury.

	Jan. 1, 1898.	*Oct. 1, 1898.*	*Nov. 1, 1898.*	*Dec. 1, 1898.*
Gold coin	$151,910,176	$162,391,874	$141,800,498	$138,441,547
Gold bullion	45,559,060	116,299,578	138,423,574	138,502,545
Silver Dollars	394,327,049	404,045,769	403,399,342	404,258,264
Silver bullion	102,284,736	96,066,097	94,675,778	93,859,250
Subsidiary silver	10,679,899	9,196,708	7,854,660	6,673,205
United States notes	84,200,089	55,020,851	40,379,396	34,944,970
National bank notes	5,186,886	3,689,265	4,659,172	4,675,744
Total	$794,147,895	$846,710,142	$826,192,415	$820,855,525
Certificates and Treasury notes, 1890, outstanding	560,012,217	543,158,927	543,141,264	544,070,277
Net cash in Treasury	$234,135,678	$303,551,215	$283,051,151	$276,785,248

Supply of Money in the United States.—The stock of money in the country was increased $14,000,000 in November, making $43,500,000 in the last two months and $208,000,000 since January 1, an average monthly increase for the year of nearly $19,000,000. The increase last month was divided between gold $11,000,000 and National bank notes $3,000,000. The supply of money is now in excess of anything ever previously recorded.

Supply of Money in the United States.

	Jan. 1, 1898.	*Oct. 1, 1898.*	*Nov. 1, 1898.*	*Dec. 1, 1898.*
Gold coin	$699,478,536	$785,041,686	$791,647,225	$797,428,060
Gold bullion	45,559,060	116,299,578	138,423,574	138,502,545
Silver dollars	455,818,122	464,834,597	466,836,597	468,238,597
Silver bullion	102,284,736	96,066,097	94,675,778	93,859,250
Subsidiary silver	76,400,207	75,784,648	76,733,612	76,670,481
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	229,014,641	235,439,985	239,629,136	242,784,808
Total	$1,955,236,318	$2,120,147,607	$2,149,626,938	$2,163,664,752

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 November, 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.		NOVEMBER, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	17	9⅛	18⅝—Feb. 7	10¼—Apr. 21	17	12¼	16
″ preferred	35½	17	47⅝—Nov. 22	22⅞—Mar. 12	47⅝	35¼	45⅝
Baltimore & Ohio	21⅛	9	59⅝—Nov. 29	12⅜—Jan. 25	59⅝	44⅝	58¼
Bay State Gas	16¾	3⅞	5⅜—Nov. 14	2⅜—Mar. 21	5⅜	2⅞	4⅜
Brooklyn Rapid Transit	37⅝	18⅝	69¾—Aug. 22	35—Mar. 12	69¾	65⅝	67½
Canadian Pacific	82	46½	90½—Jan. 20	72—Apr. 21	85½	81¼	85½
Canada Southern	62⅛	44⅛	57⅜—Feb. 5	44½—Mar. 12	55⅜	53	54⅞
Central of New Jersey	103¼	68¼	98¼—Jan. 7	83¼—Oct. 17	94¾	84½	94
Central Pacific	18	7½	30⅞—Nov. 30	11—Apr. 23	30⅞	25½	30½
Ches. & Ohio vtg. ctfs	27⅛	15⅝	26—Aug. 17	17¼—Mar. 26	24¼	21¼	23½
Chicago & Alton	170	140	167—Nov. 14	150—Mar. 14	167	151½	162
Chicago, Burl. & Quincy	102¼	69⅜	120¾—Nov. 29	85⅞—Mar. 26	120¾	114⅞	119¼
Chicago & E. Illinois	61	37¼	66—June 1	49—Apr. 19	61⅛	52½	59¾
″ preferred	108	95	113½—Feb. 1	102—Jan. 7	111¾	106	111
Chicago Gas	108¾	73¼	....	....	....	....	....
Chicago, Great Western	20⅝	3⅝	18—Aug. 22	9½—Feb. 24	16	13½	14⅞
Chic., Indianapolis & Lou'ville	13	8	10⅜—Aug. 9	7—Feb. 24	8¾	7¾	8¾
″ preferred	38¼	26	38½—July 27	23—Apr. 16	36¾	29	34⅞
Chic., Milwaukee & St. Paul	102	69¼	115⅛—Nov. 29	83¼—Apr. 21	115⅛	108⅝	114¼
″ preferred	146	130½	163 Oct. 27	140—Apr. 25	163	161	163
Chicago & Northwestern	132½	101¾	142—Nov. 21	113¼—Mar. 12	142	131	139
″ preferred	165½	153	191½—Nov. 16	163—Jan. 3	191½	180½	189½
Chicago, Rock I. & Pacific	97¼	60¼	109¼—Nov. 22	80—Mar. 25	109¼	102⅛	108
Chic., St. Paul, Minn. & Om.	89½	47	87½—Nov. 23	65—Mar. 12	87½	80¼	85
″ preferred	150⅝	133	170—Nov. 17	148—Jan. 5	170	162	170
Clev., Cin., Chic. & St. Louis	41½	21½	47½—Aug. 16	25—Mar. 12	42¾	38½	42
″ preferred	86½	63	90½—Aug. 16	77½—Mar. 9	89	87⅝	89
Col. Coal & Iron Devel. Co.	2	⅜	1¾—Nov. 14	¼—Apr. 7	1¾	⅝	1
Col. Fuel & Iron Co.	27⅞	15¾	26⅝—Jan. 11	17—Mar. 12	25⅞	22	23
Col. Hocking Val. & Tol	18	1½	8¼—Feb. 10	2½—Nov. 1	5¼	2½	4½
″ preferred	46	14	27½—Feb. 10	17—Jan. 7	18	18	18
Consolidated Gas Co.	241½	136½	205½—June 9	164—Oct. 3	191½	183	188¾
Delaware & Hud. Canal Co.	123	99⅝	114½—Feb. 3	93—Nov. 21	101	93	100½
Delaware, Lack. & Western	164	146½	159—Feb. 5	140—Oct. 19	145	140	145
Denver & Rio Grande	14¾	9¼	16½—Nov. 17	10—Apr. 26	16½	12⅞	15⅞
″ preferred	50½	36	63¼—Nov. 28	40—Apr. 21	63¼	54	62⅝
Edison Elec. Illum. Co., N. Y.	132½	101¾	165—Nov. 29	119—Apr. 8	165	136½	165
Erie	19	11½	16¼—Feb. 4	11—Apr. 21	14¼	12½	13¾
″ 1st pref	46⅝	27	43⅜—Feb. 11	29¼—Apr. 22	37⅞	31¾	36⅝
″ 2d pref	25⅝	15½	21⅜—Feb. 11	15½—Apr. 22	18¾	16	18¾
Evansville & Terre Haute	34	20	34—Sept. 26	22—May 9	33	31	31
Express Adams	165	147¼	180—Feb. 10	97¼—Apr. 29	111½	107	109
″ American	119½	109½	150—Nov. 9	116—Jan. 5	150	135	149
″ United States	48	37	46—Nov. 29	38—Apr. 14	46	40	46
″ Wells, Fargo	120	97	128—Nov. 25	112½—May 5	128	120⅛	127
Great Northern, preferred	141	120	180—June 30	122—July 1	141¾	136	138⅞
Illinois Central	110¾	91½	115—Sept. 6	96—Apr. 21	112⅝	107¾	111¾
Iowa Central	13¾	6	10½—Aug. 22	7¼—Mar. 18	9¾	9	9
″ preferred	41¾	23	37⅞—Aug. 16	25—Apr. 28	35½	32⅝	35
Laclede Gas	49¾	22	54⅜—Aug. 9	37½—Mar. 25	50	47¼	50
″ preferred	96	70¼	96¼—Aug. 8	85—Mar. 12	94½	92½	94½
Lake Erie & Western	22½	13	23½—Aug. 22	12—Oct. 11	15⅞	12½	15¾
″ preferred	79⅞	58¼	83—Aug. 19	53—Oct. 19	67¼	61½	65
Lake Shore	181	152	198—Aug. 4	170¾—Jan. 4	192¼	192	192¼
Long Island	55	38	59½—Aug. 10	40—Jan. 20	50¼	48	50
Louisville & Nashville	63⅞	40½	63⅞—Nov. 29	44—Apr. 21	63⅞	56¼	62⅝
Manhattan consol	113	81¾	120¼—Jan. 14	90—Oct. 3	100	93⅛	98¼
Metropolitan Street	133½	99¾	181—Nov. 29	125¼—Mar. 26	181	160	179¼
Michigan Central	111⅞	90	114⅞—Feb. 8	99½—Mar. 12	110	107	110
Minneapolis & St. Louis	31½	16	30⅞—Feb. 15	24—Mar. 11	28¾	26¾	28¼
″ 1st pref	90	77¾	92½—Nov. 15	84—May 14	92½	92½	92½
″ 2d pref	62¾	46	63—June 8	46—Mar. 26	61¼	60	61
Missouri, Kan. & Tex	16⅞	10	14¼—Jan. 26	10—Apr. 13	12⅛	10½	12⅛
″ preferred	42	24¾	41—Jan. 28	28¾—Mar. 12	35⅝	31½	34½

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1897.		Highest and Lowest in 1898.		November, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	40¼	10	38⅝—Aug. 11	22 —Mar. 12	38¼	32	37½
Mobile & Ohio	32	18	32½—Feb. 7	24 —Nov. 3	28	24	27½
N. Y. Cent. & Hudson River	115½	92½	120½—Aug. 8	105 —Mar. 26	119⅝	114	118½
N. Y. Chicago & St. Louis	17⅝	11	15⅝—Jan. 31	11⅝—Mar. 14	14	12	13¾
" 1st preferred	81½	67⅝	76 —Jan. 31	65 —May 10	....	....	....
" 2d preferred	43½	24	40¼—Jan. 29	28 —Mar. 25	36	33	35
N. Y., New Haven & Hartf'd.	186	160	196¼—Aug. 18	178¼—Jan. 7	194¼	190½	194
N. Y., Ontario & Western	20½	12¾	18⅞—Feb. 2	13⅜—Apr. 25	16½	14¼	16
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	15½	12½	15½
" preferred	48½	17	56¼—Feb. 7	42½—Mar. 12	56	49⅝	54⅞
North American Co	6⅛	3⅝	7⅝—Nov. 29	4¼—Jan. 15	7⅝	6⅞	7⅞
Northern Pacific tr. receipts.	22⅝	11	43 —Nov. 11	19 —Feb. 24	43	39⅞	40½
" pref tr. receipts	61⅝	32½	79⅞—Sept. 6	56⅞—Mar. 12	77⅝	74½	75⅞
Oregon Railway & Nav	41	10	61½—Aug. 22	35½—Jan. 7	58½	53	57½
" preferred	73½	37⅞	78 —Nov. 11	65½—Mar. 29	78	73	76
Oregon Short Line	23¾	10⅞	37¾—Aug. 27	19⅞—Jan. 3	37¼	27¾	37
Pacific Mail	39¼	24	39¼—Nov. 21	21 —Apr. 21	39¼	33¼	36⅞
Pennsylvania R. R.	119	103½	120⅝—Feb. 7	110¾—Mar. 12	119⅞	115	118½
Pitts., Cin. Chic. & St. Louis	30½	11½	47½—May 1	38⅝—Jan. 5	45	42	44⅞
" preferred	70½	44½	73 —Nov. 29	57 —Mar. 23	73	65½	72
Pullman Palace Car Co	185	152	216 —July 5	132 —Nov. 2	141½	132	139⅝
Reading Voting Tr. ctfs	29¼	16¼	23⅝—Jan. 6	15½—Mar. 25	19⅛	15½	18¼
" 1st prefered	57¾	38½	54⅛—Feb. 3	36 —Mar. 12	46½	37½	45⅛
" 2d preferred	35⅞	22½	29 —Jan. 6	17¾—Oct. 17	22	18	20¾
Rome, Wat. Ogdens' g	122½	117	127¾—Nov. 23	116¼—Mar. 26	127¾	126	127¾
St. Louis & San Francisco	9	4	9¼—Nov. 29	6 —Mar. 26	9¼	7⅝	9⅛
" 1st preferred	59⅝	37	70 —Nov. 28	52½—Mar. 12	70	61	69
" 2d preferred	27½	12	35 —Nov. 29	22½—Feb. 24	35	28¼	34⅞
St. Louis & Southwestern	7	1	6¼—Aug. 10	3¾—Jan. 24	6⅛	5¼	5⅞
" preferred	14⅝	3½	14⅞—Nov. 17	7¾—Mar. 12	14⅝	12½	14⅛
St. Paul & Duluth	30	20	27 —Aug. 11	18⅛—July 6	27	20	26
" preferred	87½	75	97 —Nov. 28	78 —Apr. 20	97	89¾	97
St. Paul, Minn. & Manitoba	125	114	175 —Nov. 11	123⅞—Jan. 12	175	170	174½
Southern Pacific Co	23⅛	13½	27½—Nov. 29	12 —Apr. 18	27½	22⅛	27⅞
Southern Railway	12¼	7	10⅜—Nov. 23	7 —Apr. 21	10⅜	8¼	10¼
" preferred	33⅜	22⅞	41¼—Nov. 29	23⅝—Mar. 26	41¼	34½	40¾
Tennessee Coal & Iron Co	35½	17	34½—Aug. 22	17 —Mar. 12	32½	27⅞	30
Texas & Pacific	15	8	16⅜—Aug. 24	8⅝—Mar. 12	16¼	13½	15⅝
Union Pacific trust receipts	27¾	4½	39¾—Nov. 28	16½—Mar. 25	39¾	31	38⅝
Union Pac., Denver & Gulf	11⅝	1	13⅜—Nov. 28	5⅝—Nov. 4	13⅝	5⅝	13
Wabash R. R	9¾	4⅝	9½—Aug. 31	4½—Aug. 3	8¼	7⅛	8⅛
" preferred	24⅝	11½	24¼—Aug. 31	14½—Mar. 7	23	19½	22
Western Union	96¾	77¼	95⅞—Aug. 17	83¼—Mar. 26	94	92¼	93½
Wheeling & Lake Erie	6½	½	4¼—Oct. 5	3 —Oct. 24	3⅝	3	3⅞
" preferred	29	2⅝	21 —Nov. 30	16¾—Oct. 29	21	17¼	20¾
Wisconsin Central	4⅝	1	3⅞—Jan. 17	⅞—Jan. 6	1½	1	1½
"Industrial" Stocks:							
American Co. Oil Co	26⅞	9½	39¾—Aug. 26	15½—Mar. 25	38¾	31¼	32½
" preferred	80½	52¼	90⅜—Aug. 22	66 —Mar. 14	88	84¼	87½
American Spirits Mfg Co	15⅞	6½	15⅜—June 9	6½—Jan. 20	12⅝	10½	11¾
" preferred	36	15	41¾—Aug. 25	16 —Mar. 26	37	33½	36
American Sugar Ref. Co	159½	109½	146⅞—Aug. 26	107½—Mar. 26	127	111⅝	126
" preferred	121½	100¼	116 —Jan. 6	103 —Mar. 25	113	106⅝	113
American Tobacco Co	96⅝	67½	153¾—Sept. 19	83¾—Jan. 24	144⅞	133⅝	137⅛
" preferred	115	100	135½—Aug. 26	112¼—Mar. 26	129	126	128
General Electric Co	41⅜	28⅝	85 —Nov. 30	76 —Sept. 15	85	81	84½
National Lead Co	44	21⅞	39⅝—Aug. 23	26¼—Mar. 26	36⅞	32¼	35¼
" preferred	109¾	88⅝	113¾—Nov. 14	99 —Apr. 22	113¾	111¼	112¾
National Linseed Oil Co	23½	10	21⅞—May 23	2½—Sept. 17	10¼	5¼	9¼
National Starch Manfg. Co	13	3	9 —Feb. 10	3¾—Nov. 17	4½	3¾	3¾
Standard Rope & Twine Co	11¾	2¾	10⅛—Aug. 5	3¼—Jan. 3	8¼	6⅝	7¼
U. S. Leather Co	10¼	8¼	8⅞—May 24	5¼—Apr. 25	6¾	6⅛	6⅛
" preferred	72	50½	74½—Aug. 22	53¾—Mar. 26	69½	65	67½
U. S. Rubber Co	25¼	10	48½—Aug. 17	14¼—Mar. 12	45⅞	40¼	45¼
" preferred	76⅞	50	109¼—Aug. 17	60 —Mar. 12	105⅞	104¾	105⅝

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.	November Sales. High.	November Sales. Low.	November Sales. Total.
Ala. Midland 1st gold 6s	1928	2,800,000	M & N	91	Nov. 4,'98	91	91	1,000
Ann Arbor 1st g 4's	1995	7,000,000	Q J	90	Nov.30,'98	90¼	88	99,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	124,074,000	A & O	98⅛	Nov.30,'98	98⅛	94¾	8,194,000
" registered			A & O	93⅞	July 1,'98			
" adjustment, g. 4's	1995	51,728,000	NOV	74⅝	Nov.30,'98	75	68	13,875,500
" 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	82½	Feb. 8,'96			
Atlanta & Danville 1st g. 5's	1950	1,238,000	J & J	101	Nov.14,'98	101	99	20,000
B. & O. 1st 6's (Parkersburg br.)	1919	3,000,000	A & O	115	Nov. 7,'98	115	115	10,000
" Trust Co. cfs. of dep.				112	Oct. 19,'98			
" g. 5's	1885-1925			115	Oct. 5,'98			
" coupons off								
" registered		10,000,000	F & A	111¼	Aug. 1,'98			
" Speyer & Co. eng. cf. dep.								
" Trust Co. cfs. of dep.				118	Nov.29,'98	118	116	74,000
" con. g. 5's	1988			118½	Sept. 7,'98			
" registered		11,988,000	F & A	116	Aug.22,'98			
" J.P.M. & Co. cfs. dep'it				114¼	July 29,'98			
" Trust Co. cfs. of dep.				118¾	Oct. 29,'98			
" bonds of loan of 1853 ext. to 1935 at 4% Tr. Co. cfs.		1,161,000	A & O	120	Nov.18,'98	120	120	6,000
" sterling 6% loan of 1872 due 1902 Trust Co. cfs.		£1,921,800	M & S					
" sterling 6% loan of 1874 due 1910 Trust Co. cfs.		£1,990,600	M & N					
" 4½% terml. bonds Trust Co. cfs.	1894	8,500,000	J & D					
" sterling 4½% loan of 1883 (Philadelphia Branch).		£2,400,000	A & O					
" ster. 5% loan of 1877 due 1927 (B. & O. & Chic.) Tr. Co. cfs.		£1,382,200	J & D					
Balti. Belt, 1st g. 5's int. gtd.	1990	6,000,000	M & N	99	Sept.28,'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	108½	Nov.29,'98	108½	107¾	142,000
Colo. & Cin. Midl'd 1st ext 4½'s	1939	2,000,000	J & J	75	Oct. 6,'98			
Ak. & Chic. Junc. 1st g. int. g. 5's	1930			102½	Nov.21,'95			
" coupons off		1,500,000	M & N	105	Aug. 9,'98	105	105	5,000
" Tr. Co. cfs. of dep.								
Pittsb. & Connellsville 1st g. 4's	1946	2,536,000	J & J	107¼	July 28,'98			
" Trust Co. cfs. of dep.								
" 1st 7% bds 1898 Tr. Co. cfs.		1,419,000	J & J					
" con. 6% bonds Tr. Co. cfs.		1,315,000	J & J					
B & O. Southwest'n 1st g. 4½'s	1990	10,667,000	J & J	105	Oct. 7,'98			
" 1st c. g. 4½'s	1993	10,511,000	J & J	90	Nov.26,'98	90	90	11,000
" 1st inc. g. 5's ser. "A"	2043	8,651,000	NOV	27½	June 8,'98			
" "B"	2043	9,655,000	DEC	10¾	Nov.30,'98	12	7¾	478,000
B. & O. Sw. Term Co. gtd g 5's	1942	1,200,000	M & N	105	Nov.30,'98	105	105	1,000
Ohio & Miss. 1st con. 4's	1947	2,615,000	J & J	105	Nov.21,'98	105	104	15,000
" 2d con. 7's	1911	2,952,000	A & O	122½	July 12,'98			
" 1st Spr'gfield div. 7's	1905	1,984,000	M & N	100	Oct. 27,'98			
" 1st gen. 5's	1932	405,000	J & D	98	Apl. 2,'92			
Brooklyn E. Tr. Co. cfs 1st g. 6s's	1924	3,464,000		91½	Nov.29,'98	91½	89	59,000
" Tr. Co. ctfs. 2d g. 5's	1915	1,246,000						
" all instal. paid				86	June 27,'98			
Seas. & B. B. Tr. Co. cfs. 1st g. g. 5's	1942	1,357,000		70½	Dec. 14,'97			
" all instal. paid								
Union Ele. Tr. Co. ctfs. 1st g. g. 6's	1937	6,124,000		91	Nov.30,'98	91	88	258,000
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	106	Nov.30,'98	106½	104	135,000

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.	November Sales. High.	November Sales. Low.	November Sales. Total.
Bklyn City R. R. 1st con. 5's	1916.1941	4,373,000	J & J	116½	Nov. 28, '98	116½	116½	1,000
Bklyn Qu. Co. & Sur. 1st con. gtd g. 5's	1941	2,255,000	M & N	104¾	Nov. 26, '98	104¾	101¾	257,000
Brunswick & Western 1s g. 4's	1938	3,000,000	J & J	74	Sept. 1, '98	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,407,000	M & S	107¼	Nov. 12, '98	107¼	107¼	1,000
" 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	125	Nov. 3, '98	125	125	5,000
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	108½	Nov. 25, '98	108¾	108	48,500
" con. 1st & col. tst 5's	1934	6,425,000	A & O	107¾	Oct. 20, '98	....	....	....
" 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	105¾	Nov. 25, '97	105¾	105¾	1,000
" 1st 5's	1921	1,905,000	A & O	105	Jan. 4, '98	....	....	....
Canada Southern 1st int. gtd 5's	1908	13,920,000	J & J	110	Nov. 29, '98	110	109½	71,000
" 2d mortg. 5's	1913	5,100,000	M & S	110½	Nov. 30, '98	110½	109¼	69,000
" registered			M & S	106½	May 22, '97	....	....	....
Central Branch U. Pac. 1st g. 4's	1948	2,500,000	J & D	91	Nov. 28, '98	91¼	90	101,000
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	92½	June 30, '98	....	....	....
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	114½	June 3, '98	....	....	....
" registered $1,000 & $5,000			F & A	....		....	....	....
" con. g. 5's	1945	16,500,000	M & N	89	Nov. 30, '98	89½	87½	788,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	....		....	....	....
" 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	87½	Nov. 30, '98	87¾	35	149,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	11½	Nov. 29, '98	12½	11	41,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	4⅝	Nov. 10, '98	4⅝	4⅝	2,000
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	92	Oct. 24, '98	....	....	....
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	99	July 6, '98	....	....	....
" Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	86½	Sept. 6, '98	....	....	....
Central Railroad of New Jersey,								
" 1st consolidated 7's	1899	3,836,000	Q J	102½	Nov. 11, '98	102½	102½	2,000
" convertible 7's	1902	1,167,000	M & N	112	Nov. 17, '98	112	112	13,000
" deb. 6's	1908	466,000	M & N	110	July 21, '98	....	....	....
" gen. g. 5's	1987	43,924,000	J & J	114	Nov. 29, '98	114¼	112½	145,000
" registered			Q J	112	Nov. 26, '98	112	110½	125,500
Lehigh & W.-B. con. assd. 7's	1900	5,500,000	Q M	100	Nov. 28, '98	100	98	49,000
" mortgage 5's	1912	2,691,000	M & N	91	July 20, '98	....	....	....
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	115¼	Nov. 30, '98	115¼	115¼	2,000
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J	....		....	....	....
N. J. Southern int. gtd 6's	1899	411,000	J & J	104	Nov. 13, '96	....	....	....
Cen. P. ex. g. 5's Speyer & Co. cfs. A.	1898	2,995,000	......	103	Oct. 20, '98	....	....	....
" B C D.	1899	3,383,000	......	103	Feb. 18, '98	....	....	....
" E.	1898	3,997,000	J & J	101¾	May 5, '98	....	....	....
" F G H I.	1901	15,508,000	......	....		....	....	....
" San Joaquin br. g 6's	1900	6,080,000	A & O	102½	Oct. 12, '98	....	....	....
" 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	102	Mar. 19, '98	....	....	....
" 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	103¼	Nov. 23, '98	103¼	103¼	3,000
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	104½	Nov. 29, '98	104½	104	151,000
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13, '96	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	118½	Nov. 30, '98	118½	118½	2,000
" Mortgage gold 6's	1911	2,000,000	A & O	119	Nov. 14, '98	119	119	4,000
" 1st con. g. 5's	1939	25,858,000	M & N	116½	Nov. 29, '98	117½	114¾	88,000
" registered			M & N	116	Oct. 19, '98	....	....	....
" Gen. m. g. 4½'s	1992	23,728,000	M & S	89⅝	Nov. 30, '98	89½	85¾	2,650,000
" registered			M & S	85	Dec. 30, '98	....	....	....
" (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	106	Nov. 28, '98	106¾	105½	182,000
" 2d con. g. 4's	1989	1,000,000	J & J	96½	Nov. 21, '98	96½	95	85,000
" Craig Val. 1st g. 5's	1940	650,000	J & J	95½	May 27, '98	....	....	....
" Warm S. Val. 1st g. 5's	1941	400,000	M & S	98	Dec. 21, '98	....	....	....
" Elz. Lex. & B. S. g. g. 5's	1902	3,007,000	M & S	102	Nov. 22, '98	102	101½	16,000
Chicago & Alton s'king fund 6's	1903	1,722,000	J & J	111	Sept. 10, '98	....	....	....
Louisiana & Mo. Riv. 1st 7's	1900	1,785,000	F & A	108	June 15, '98	....	....	....
" 2d 7's	1900	800,000	M & N	107	July 20, '98	....	....	....
Miss. Riv. Bdge 1st s. f'd g. 6's	1912	512,000	A & O	105½	Oct. 30, '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.

NAME.	*Principal Due.*	*Amount.*	*Int'st paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
Chicago, Burl. & Quincy con. 7's	1903	28,924,000	J & J	117⅛	Nov.25,'98	117⅛	116¼	28,000
″ 5's, sinking fund	1901	2,315,000	A & O	101¾	Nov. 7,'98	101¾	101¾	10,000
″ 5's, debentures	1913	9,000,060	M & N	109¼	Nov.30,'98	109½	108½	167,000
″ convertible 5's	1903	15,263,900	M & S	121¾	Nov.29,'98	121¾	116¼	264,000
″ (Iowa div.) sink. f'd 5's	1919	2,818,000	A & O	110⅞	Nov.30,'98	110⅞	110½	11,000
″ 4's	1919	9,050,000	A & O	100½	Nov.22,'98	102½	100½	10,000
″ Denver div. 4's	1922	5,861,000	F & A	102	Oct. 19,'98	....	....	....
″ 4's	1921	3,150,000	M & S	100	Nov.14,'98	101	100	2,000
″ Chic. & Iowa div. 5's	1905	2,320,000	F & A	107½	Jan. 18,'98	....	....	....
″ Nebraska extensi'n 4's	1927	26,110,000	M & N	102¾	Nov.30,'98	102⅞	101	209,000
″ registered			M & N	97	May 9,'98	....	....	....
″ Han. & St. Jos. con. 6's	1911	8,000,000	M & S	121½	Nov.29,'98	121½	121	9,000
Chic. Burl. & Northern, 1st 5's	1926	8,241,000	A & O	108⅞	Nov.22,'98	108⅞	108¾	87,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	117½	Nov. 9,'98	117½	117½	4,000
″ small bonds			J & D	112	Apr. 2,'96	....	....	....
″ 1st con. 6's, gold	1934	2,653,000	A & O	131⅜	Nov.17,'98	131⅜	128⅛	18,000
″ gen. con. 1st 5's	1937	9,767,000	M & N	108	Nov.19,'98	108	105½	29,000
″ registered			M & N	103½	Nov.18,'98	103⅛	103½	8,000
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	105	Sept.12,'98	....	....	....
Chicago, Indianapolis & Louisville.								
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	116	Nov.28,'98	116	115	8,000
Chic. Ind. & Louisv. ref. g. 5's	1947	3,018,000	J & J	91	Nov. 5,'98	91	91	2,000
″ refunding g. 6's	1947	4,700,000	J & J	106½	Nov.30,'98	106½	104½	30,000
Chicago, Milwaukee & St. Paul.								
Mil. & St. Paul 1st 7's $ g, R.d.	1902	2,723,500	J&J	160	Nov. 7,'98	160	160	1,000
″ 1st 7's £	1902		J&J	120	Feb. 8,'94	....	....	....
″ 1st m. Iowa & D. 7's	1899	147,000	J & J	160½	Nov.15,'98	160½	160½	2,000
″ 1st m. C. & M. 7's	1903	1,892,000	J & J	160⅝	Nov.16,'98	160⅝	160⅝	15,000
Chicago Mil. & St. Paul con. 7's	1905	9,803,000	J & J	161	Nov.30,'98	161	160	87,000
″ 1st 7's, Iowa & D, ex	1908	3,099,000	J & J	160	Oct. 21,'98	....	....	....
″ 1st 6's, Southw'n div.	1909	4,000,000	J & J	119½	Nov.17,'98	119½	119½	2,000
″ 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	115½	Nov.30,'98	115½	115½	2,000
″ 1st So. Min. div. 6's	1910	7,432,000	J & J	120	Nov.29,'98	120¼	119¾	17,000
″ 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	129½	Oct. 11,'98	....	....	....
″ 5's	1910	990,000	J & J	109	Oct. 26,'98	....	....	....
″ Chic. & Pac. div. 6's	1910	3,000,000	J & J	121⅛	Nov.15,'98	121⅛	121⅛	5,000
″ 1st Chic. & P. W. 5's	1921	25,340,000	J & J	119	Nov.29,'98	119½	118	49,000
″ Chic. & M. R. div. 5's	1926	3,083,000	J & J	115½	Nov. 1,'98	115½	115⅛	10,000
″ 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	118	Nov.30,'98	118	118	5,000
″ terminal 5's	1914	4,748,000	J & J	113¾	Nov.17,'98	113¾	113½	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	1,164,000	J & J	106½	July 9,'97	....	....	....
″ Dakota & Gt. S. 5's	1916	2,856,000	J & J	112	Oct. 31,'98	....	....	....
″ g. m. g. 4's, series A	1989	23,676,000	J & J	107¾	Nov.28,'98	107¾	106½	28,000
″ registered		....	Q J	105½	Feb. 19,'98	....	....	....
″ Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	120⅛	Oct. 24,'98	....	....	....
″ 1st convt. 6's	1913	5,092,000	J & D	123	Oct. 13,'98	....	....	....
Chic. & Northwestern cons. 7's	1915	12,771,000	Q F	142½	Nov.22,'98	142¾	142	24,000
″ coupon gold 7's	1902	10,721,000	J & D	116	Nov.28,'98	116	116	16,000
″ registered d. gold 7's	1902		J & D	116	Nov.11,'98	116	116	46,000
″ sinking fund 6's	1879–1929	5,591,000	A & O	117½	Nov.28,'98	117½	117½	2,000
″ registered			A & O	117½	Oct. 24,'98	....	....	....
″ 5's	1879–1929	7,237,000	A & O	109½	Nov.14,'98	109½	108¾	8,000
″ registered			A & O	107½	July 13,'98	....	....	....
″ debenture 5's	1933	9,800,000	M & N	120	Oct. 6,'98	....	....	....
″ registered			M & N	117	Mar. 8,'98	....	....	....
″ 25 year deben. 5's	1909	6,000,000	M & N	108¾	Nov.16,'98	109½	108¾	3,000
″ registered			M & N	109½	Mar. 19,'97	....	....	....
″ 30 year deben. 5's	1921	10,000,000	A & O	116¾	Nov.23,'98	116¾	116¾	5,000
″ registered			A & O	107	Nov. 20,'95	....	....	....
″ extension 4's	1886–1926	18,632,000	F A 15	105¾	Nov. 2,'98	105¾	105¾	5,000
″ registered			F A 15	103	June 10,'96	....	....	....
″ gen. g. 3½'s	1987	6,000,000	M & N	102⅜	Nov.26,'98	102⅜	101⅝	184,000
″ ″ registered			Q F	103	Nov.19,'98	103	103	10,000
Escanaba & L. Superior 1st 6's	1901	455,000	J & J	107¾	May 26,'98	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Iowa Midland 1st mortg. 8's	1900	1,099,000	A & O	108	Oct. 21,'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	137	Nov.19,'98	137	137	6,000
″ con. deb. 5's	1907	436,000	F & A	105½	Feb. 24,'97	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	119	Nov.29,'98	119	119	1,000
" Michigan div. 1st 6's	1924	1,281,000	J & J	135	Nov. 9,'98	135	135	6,000
" Ashland div. 1st 6's	1925	1,000,000	M & S	133	May 19,'98	....	....	....
" income		500,000	M & N	112	Apr. 27,'98	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,100,000	J & J	132	Nov. 2,'98	132	132	2,000
" registered	1917		J & J	123	Nov.29,'98	123	123	5,000
" gen. g. 4's	1988	47,971,000	J & J	105¼	Nov.30,'98	105½	105	979,000
" registered			J & J	104	Sept.21,'97	....	....	....
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	95½	Nov.30,'98	95½	95½	2,000
" 1st 2½'s	1905	1,200,000	J & J	80	Nov.17,'98	80	80	2,000
" extension 4 s		672,000	J & J	83	Mar. 15,'97	....	....	....
Keokuk & Des M. 1st mor. 5's	1923	2,750,000	A & O	108½	Nov.28,'98	108½	107½	80,000
" small bond	1923	....	A & O	100	Apr. 15,'97	....	....	....
Chic., St.P., Minn.& Oma.con. 6's	1930	13,760,000	J & D	136¼	Oct. 29,'98	....	....	....
Chic., St. Paul & Minn. 1st 6's	1918	2,658,000	M & N	135½	Oct. 6,'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	113½	Nov.18,'98	131½	131½	1,000
Chic., Term. Trans. R. R. g. 4's	1947	18,000,000	J & J	91¼	Nov.30,'98	92	89	721,000
Chic. & Wn. Ind. 1st s'k. f'd g. 6's	1919	878,000	M & N	106	June 22,'98	....	....	....
" gen'l mortg. g. 6's	1932	9,868,000	Q M	121	Nov.29,'97	121	121	2,000
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	103¼	Mar. 13,'97	....	....	....
Cin., Day. & Ir'n 1st gtd. g. 5's	1941	3,500,000	M & N	110¼	Nov.17,'98	110¼	110	16,000
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	......	73	Nov.10,'98	73	73	733,000
Clev.,Cin.,Chic.& St.L. gen.m. 4's	1993	7,574,000	J & D	85	Nov.19,'98	85	85	4,000
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	91¾	Sept.21,'98	....	....	....
St. Louis div. 1st col. trust g.4's	1990	9,750,000	M & N	98⅛	Nov.29,'98	98⅛	97¾	29,000
" 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	87	Aug.31,'98	....	....	....
Cin.,Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	92⅝	Nov. 3,'98	92⅝	92⅝	19,000
Cin.,Ind., St. L. & Chic. 1st g.4's	1936	7,685,000	Q F	101½	Nov.14,'98	101½	101½	1,000
" registered				95	Nov. 15,'94	....	....	....
" con. 6's	1920	731,000	M & N	107½	June 30,'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	77½	Nov.30,'98	78½	74	95,000
" income 4's	1990	4,000,000	A	20	Nov.29,'98	20	19	18,000
Clev., C., C. & Ind. 1st 7's s'k. f'd	1899	3,000,000	M & N	101¾	Nov.30,'98	101¾	101¼	11,000
" consol mortg. 7's	1914	3,991,000	J & D	140	Nov.28,'98	140	139	6,000
" sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's	1934	3,205,000	J & J	132¾	Nov.26,'98	133¾	132¼	4,000
" 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	Nov.17,'98	108	105¼	21,000
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	121	Sept. 9,'98	....	....	....
" registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 2-3-4's	1947	6,250,000	J & J	65¼	Nov.30,'98	66¼	57¾	755,000
" 1st g. 4's	1947	1,011,000	J & J	73	Nov.30,'98	73	67	62,000
Col., Hock. Val. & Tol. con. g. 5's	1931	406,000	M & S	74	Aug.10,'97	....	....	....
" J. P. M. & Co. eng ctf. $35 pd.		7,694,000	......	78½	Nov.30,'98	80	77¼	148,000
" gen. mort. g. 6's	1904	2,000,000	J & D	50½	Nov.29,'98	50½	50½	1,000
" 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	124	Nov. 7,'98	124	124	4,000
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	126	July 23,'98	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	142½	Nov.29,'98	142½	142½	2,000
" bonds, 7's	1900	281,000	J & J	109	Nov. 23,'97	....	....	....
" 7's	1871-1901	4,991,000	A & O	109¼	Nov.30,'98	109½	109¼	2,000
" 1st c. gtd 7's	1915	12,151,000	J & D	139	June 2,'98	....	....	....
" registered			J & D	140	Oct. 26,'98	....	....	1,000
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	137	Sept.19,'98	....	....	....
" const. 5's	1923	5,000,000	F & A	118½	Nov.17,'97	....	....	....
Warren 2d 7's	1900	750,000	A & O	108	Aug. 1,'95	....	....	....

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Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	146	Sept.13,'98	....	....	....
" reg	1917		M & S	143	May 4,'96	....	....	....
Albany & Susq. 1st c. g. 7's	1906	8,000,000	A & O	125	Aug.31,'98	....	....	....
" registered			A & O	128½	Feb. 12,'94	....	....	....
" 6's	1906	7,000,000	A & O	116¾	Nov.26,'98	116¾	116¾	2,000
" registered			A & O	117	Nov.21,'97	117	116¼	14,000
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	147	Sept.27,'98	....	....	....
" 1st r 7's	1921		M & N	141	May 6,'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 Grande 1st g. 7's	1900	1,934,500	M & N	108¼	Nov.23,'98	108¼	108	4,000
" 1st con. g. 4's	1936	28,650,000	J & J	99¼	Nov.30,'98	99¾	95¾	365,000
" con. g. 4½'s	1936	4,848,000	J & J	108⅞	Nov.25,'98	108⅞	107	127,000
" impt. m. g. 5's	1928	8,103,500	J & D	98	Nov. 7,'98	98	93½	41,000
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	102	Oct. 26,'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	6,734,000	A & O	106¼	Oct. 18,'98	....	....	....
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s	1916	2,000,000	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	112½	Oct. 27,'98	....	....	....
Erie, 1st mortgage ex. 7's	1897	2,482,000	M & S	114	Nov.28,'98	114	110¾	21,000
" 2d extended 5's	1919	2,149,000	M & N	119½	Aug. 2,'98	....	....	....
" 3d extended 4½'s	1923	4,618,000	M & S	112	Nov.11,'98	112	112	1,000
" 4th extended 5's	1920	2,926,000	A & O	118¼	Nov.29,'98	118¼	118¼	1,000
" 5th extended 4's	1928	709,500	J & D	104½	June 3,'98	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	144¼	Nov.21,'98	145	144¼	39,000
" 1st cons. fund c. 7's	1920	3,705,977	M & S	141	June 25,'98	....	....	....
Long Dock consol. 6's	1953	7,500,000	A & O	139	Sept.20,'98	....	....	....
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	133	June 6,'98	....	....	....
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	103	Nov. 2,'98	103	103	8,000
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	111	Nov.22,'98	111	109¼	40,000
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	109	Oct. 27,'98	....	....	....
" small								
Erie R.R. 1st con. g-4s prior bds	1996	30,000,000	J&J	93½	Nov.30,'98	94	91⅝	623,000
" registered			J&J	....		....	....	....
" gen. lien 3-4s	1996	30,927,000	J&J	74¼	Nov.30,'98	74½	69¾	1,186,000
" registered			J&J	....		....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,750,000	J & J	106⅝	Nov.22,'98	108	106⅝	27,000
" 2d g. 4½'s	1937	453,000	F & A	92½	Aug.25,'98	....	....	....
" gen. g. 5's	1940	2,547,000	F & A	90	Nov.30,'98	90	85½	182,000
" term. 1st g. 5's	1943	2,000,000	M & N	111	Oct. 6,'98	....	....	....
" registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	96½	Nov.30,'98	99½	96	17,000
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	120¾	Aug. 6,'98	....	....	....
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	123	Nov.12,'98	123	123	1,000
" 1st General g 5's	1942	2,223,000	A & O	97	Nov.30,'98	98	95½	158,000
" 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	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	98⅝	Oct. 11,'98	....	....	....
Flint & Pere Marquette m 6's	1920	3,999,000	A & O	115	Oct. 27,'98	....	....	....
" 1st con. gold 5's	1939	2,100,000	M & N	97⅞	Nov.30,'98	98¾	96	79,000
" Port Huron d 1st g 5's	1939	3,083,000	A & O	100½	Nov.30,'98	100½	98	189,000
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	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	79½	Nov.30,'98	79½	76	531,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	63½	Nov.28,'98	63½	60	367,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	98	Nov.28,'98	98½	96¼	86,000
Geo. & Ala. Ry. 1st pref. g. 5's	1945	2,250,000	A & O	88	July 18,'89	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	94	Nov.11,'98	94	94	5,000

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Houston E. & W. Tex. 1st g 5's	1933	2,700,000	M & N	94½	Nov. 21,'98	94¾	93½	21,000
Illinois Central, total outstanding......$18,950,000								
" 1st g. 4's	1894–1951	1,500,000	J&J	112¾	Nov. 30,'98	113	112¾	10,000
" registered			J&J	112¼	Nov. 23,'98	112¼	112¼	5,000
" 1st gold 3½'s	1951	2,499,000	J&J	102	Oct. 28,'98	....	....	....
" registered			J&J	102½	Apr. 15,'98	....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'98	....	....	....
" registered			M & S	....	....	....	....	....
" collat. trust gold 4's	1952	15,000,000	M & N	104	Nov. 15,'98	104	103	35,000
" regist'd			M & N	101	Mar. 19,'98	....	....	....
" col.t.g.4sL.N.O.&Tex.	1953	24,679,000	J & J	102	Nov. 12,'98	102	100¼	72,000
" registered			J & J	....	....	....	....	....
" col, trust 2-10 g. 4's	1904	4,806,000	J & J	100¼	Sept.28,'98	....	....	....
" registered			J & J	....	....	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	108	Nov. 23,'98	108	108	1,000
" registered			F & A	....	....	....	....	....
" Louisville div.g. 3½'s.	1953	14,320,000	J & J	95	Nov. 28,'98	95¼	93⅛	174,000
" registered			J & J	....	....	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	81	Nov. 30,'98	81	80	40,000
" registered			J & J	....	....	....	....	....
" g. 3½'s	1951	6,821,0 0	J & J	95¼	Nov. 22,'98	95½	93½	203,000
" registered			J & J	....	....	....	....	....
" 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	....	....	....
" Sp'gfield div 1stg 3½'s,	1951	2,000,000	J & J	....	....	....	....	....
" registered			J & J	....	....	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	125	Nov. 21,'98	125	125	1,000
" gold 5's, registered			J D 15	123	Sept. 12,'97	....	....	....
" g. 3½'s	1951	1,352,000	J D 15	....	....	....	....	....
" registered			J D 15	....	....	....	....	....
" Memph. div. 1st g. 4's,	1951	3,500,000	J & D	108½	Jan. 24,'98	....	....	....
" 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	90	Nov. 22,'98	90	90	1,000
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	105	Nov. 16,'98	105	103	13,000
Indiana, Ill. & Iowa 1st refdg. 5's.	1948	2,500,000	A & O	104	Nov. 29,'98	104	103	69,000
Internat. & Gt. N'n 1st. 6's, gold.	1919	7,954,000	M & N	122¾	Nov. 30,'98	122¾	121	49,000
" 2d g. 5's	1909	6,593,000	M & S	90¼	Nov. 28,'98	91	87	258,500
" 3d g. 4's	1921	2,718,000	M & S	59	Nov. 30,'98	60	55	91,500
Iowa Central 1st gold 5's	1938	6,572,000	J & D	105½	Nov. 7,'98	105½	105½	8,000
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	22,578,000	A & O	75	Nov. 30,'98	75½	69	1,275
Kings Co. El. series A. 1st g. 5's.	1925	3,177,000	J & J	50	Nov. 28,'98	51	50	42,000
Fulton El. 1st m. g. 5's series A.	1929	1,979,000	M & S	40	Oct. 11,'98	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	117¾	Nov. 29,'98	118	116¾	38,000
" 2d mtge. g. 5's	1941	3,625,000	J & J	100½	Nov. 28,'98	100½	99½	23,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	100	Nov. 1,'98	100	100	5,000
Lehigh Val. (Pa.) coll. g. 5's	1997	5,000,000	M & N	104	Aug. 8,'98	....	....	....
" registered			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	105	Nov. 25,'98	105	104½	20,000
" registered		....	J&J	....	....	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	110	Nov. 29,'98	112	110	2,000
" 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	91	Oct. 21,'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	Q J	34	Nov. 19,'98	34	33	12,000
Long Island 1st cons. 5's	1931	3,610,000	Q J	120	Nov. 14,'98	120	120	1,000
" 1st con. g. 4's	1931	1,121,000	Q J	....	....	....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	97	Nov. 30,'98	97¾	92½	33,000
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	94	Nov. 26,'98	94	92½	16,000
" 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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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	1,728,000	A & O	100	Nov. 4,'98	100	100	1,000
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	108½	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	50	Nov. 30,'98	53	38	494,000
" Gen. mtg. g. 4's	1943	2,432,000	M & S	6¼	Nov. 21,'98	7	5	137,000
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	128	Nov. 30,'98	128	127	3,000
" 2d 6's	1930	1,000,000	J & J	108	Oct. 15,'98	....	....	....
" E., Hend. & N. 1st 6's	1919	1,990,000	J & D	117	Nov. 22,'98	118	117	4,000
" general mort. 6's	1930	10,058,000	J & D	120½	Nov. 30,'98	121	119½	89,000
" 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	107	Nov. 17,'98	107	107	4,000
" So. & N. Ala. si'g fd. 6s	1910	1,942,000	A & O	92½	Sept. 30,'96	....	....	....
" con. gtd. g. 5's	1936	3,673,000	F & A	103½	Nov. 23,'98	103½	100½	28,000
" gold 5's	1937	1,764,000	M & N	104¼	Nov. 25,'98	105	103¼	14,000
" Unified gold 4's	1940	14,994,000	J & J	94¾	Nov. 30,'98	95	90¾	738,000
" registered	1940		J & J	83	Feb. 27,'93	....	....	....
" Pen. & At. 1st 6's, g. g	1921	2,753,000	F & A	108	Nov. 18,'98	111	108	8,000
" collateral trust g. 5's	1931	5,129,000	M & N	104	Sept. 22,'98	....	....	....
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	109½	July 18,'98	....	....	....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	103½	Nov. 29,'98	103½	100	22,000
Kentucky Cent. g. 4's	1987	6,742,000	J & J	90½	Nov. 19,'98	90½	90½	5,000
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	95	Nov. 30,'98	95½	93	269,000
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	118	Nov. 22,'98	118	117½	48,000
" 2d 6's	1899	4,000,000	M & N	101¾	Nov. 26,'98	101¾	101½	29,000
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	117¾	Nov. 30,'98	118	115¼	590,000
B'way & 7th ave. 1st con. g. 5's	1997	7,650,000	J & D	122⅝	Oct. 21,'98	122⅝	122	9,000
" registered			J & D	112½	May 29,'98	....	....	....
Columb. & 9th ave. 1st gtd g 5's	1993	3,000,000	M & S	123	Nov. 29,'98	123½	122	39,000
" registered			M & S	....		....	....	....
Lex ave & Pav Fer 1st gtd g 5's	1993	5,000,000	M & S	123	Nov. 30,'98	123	122	51,000
" registered			M & S	....		....	....	....
Mexican Central.								
" con. mtge. 4's	1911	59,011,000	J & J	60	Nov. 2,'98	60	60	1,000
" 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	80½	Nov. 30,'98	80½	78¾	230,000
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	42⅝	Nov. 12,'96	....	....	....
				....		....	....	....
" 2d inc. 6's "B"	1917	12,265,000	A	13	July 9,'97	....	....	....
Mexican Northern 1st g. 6's	1910	1,318,000	J & D	97	Feb. 11,'97	....	....	....
" registered			J & D	....		....	....	....
Mil. Elec. R. & Light con. 30 yr. g. 5's	1926	6,103,000	F & A	101¼	Nov. 3,'98	101¼	101¼	10,000
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	143	Oct. 13,'98	....	....	....
" 1st con. g. 5's	1934	5,000,000	M & N	109	Nov. 29,'98	109¼	106½	53,000
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	125	Oct. 4,'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	123	Sept. 27,'97	....	....	....
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.				....		....	....	....

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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	1888	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	92	Nov. 30,'98	92¼	90	1,226,000
" 2d mtge. g. 4's	1990	20,600,000	F & A	65¼	Nov. 30,'98	66⅝	63⅛	1,636,500
" 1st ext gold 5's	1944	998,000	M & N	88	Aug. 9,'98	....	....	....
" of Texas 1st gtd g. 5's	1942	2,685,000	M & S	85	Nov. 22,'98	85	83½	59,000
" Kan. C. & P. 1st g. 4's	1990	2,500,000	F & A	74	Nov. 19,'98	74	74	2,000
" Dal. & Waco 1st g.g. 5's	1940	1,840,000	M & N	81⅛	Nov. 18,'98	81⅛	81	13,000
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	101	Nov. 25,'98	102½	99	127,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	103¾	Nov. 30,'98	104	102½	264,000
" 3d mortgage 7's	1906	3,828,000	M & N	111	Nov. 29,'98	111	109½	19,000
" trusts gold 5's	1917	14,376,000	M & S	83¾	Nov. 25,'98	84⅛	81¾	219,000
" registered			M & S			....	....	....
" 1st collateral gold 5's	1920	7,000,000	F & A	76	Nov. 15,'98	76½	73	65,000
" registered			F & A			....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	105¾	Nov. 30,'98	106	105¾	18,000
" 2d extended g. 5's	1938	2,573,000	F & A	108	Nov. 26,'98	108	108	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	107⅛	Nov. 16,'98	107⅛	107	15,000
" 2d. ext. g. 5's	1946	6,000,000	M & N	106	Nov. 16,'98	107	106	5,000
" Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	106¼	Nov. 25,'98	107½	106¼	8,000
" g. con. R.R. & l. gr. 5's	1931	18,274,000	A & O	97⅛	Nov. 30,'98	98½	97	2,263,000
" stamped gtd gold 5's	1931	6,945,000	A & O	96½	Oct. 27,'98	....	....	....
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	125⅛	Nov. 14,'98	125⅛	125	18,000
" 1st entension 6's	1927	974,000	J & D	119	Dec. 6,'97	....	....	....
" gen. g. 4's	1938	9,547,000	Q J	81⅞	Nov. 28,'98	82	77½	386,500
" Montg'rydiv. 1st g. 5's	1947	4,000,000	F & A	103¾	Nov. 30,'98	104	102½	78,000
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	132½	Nov. 30,'98	133	132⅛	26,000
" 2d 6's	1901	1,000,000	J & J	105¾	Nov. 9,'97	....	....	....
" 1st cons. g. 5's	1928	6,213,000	A & O	106	Nov. 22,'98	106	103½	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	....	....	....
N. Y. Cent. & Hud. R. 1st c. 7's	1903	22,487,000	J & J	118	Nov. 17,'98	118	118	18,000
" 1st registered	1903		J & J	118	Nov. 11,'98	118	117⅝	15,000
" debenture 5's	1904	5,775,000	M & S	111⅜	Nov. 25,'98	111⅜	111	15,000
" debenture 5's reg.			M & S	111¾	Nov. 15,'98	111¾	110¾	41,000
" reg. deben. 5's	1889-1904	815,000	M & S	108½	Feb. 21,'98	....	....	....
" debenture g. 4's	1905	8,205,000	J & D	105	Nov. 14,'98	105	105	7,000
" registered			J & D	104¾	Feb. 5,'98	....	....	....
" deb. cert. ext. g. 4's	1905	4,397,000	M & N	105	Nov. 14,'98	105⅛	105	9,500
" registered			M & N	104⅝	June 30,'98	....	....	....
" g. mortgage 3½'s	1997	27,601,000	J & J	108	Nov. 10,'98	108	108	2,000
" " registered			J & J	108	Nov. 12,'98	108	108	20,000
Michigan Central col. g. 3½'s	1998	18,160,000	F & A	95½	Nov. 30,'98	95¾	94	677,000
" registered			F & A	93	Nov. 2,'98	93	93	1,000
Lake Shore col. g. 3½'s	1998	90,266,000	F & A	96⅞	Nov. 30,'98	97	96¼	1,357,000
" registered			F & A	96⅛	Nov. 29,'98	96⅛	95½	677,000
Harlem 1st mortgage 7's c.	1900	12,000,000	M & N	105½	Nov. 23,'98	105½	105¼	70,000
" 7's registered	1900		M & N	105½	Nov. 18,'98	105½	105⅜	44,000
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	112	Nov. 30,'98	112¼	111	131,000
" registered			J & J	111⅛	Nov. 30,'98	111⅛	110	112,500

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Beech Creek 1st. g. gtd. 4's	1936	5,000,000	J & J	108	Nov. 5,'98	108	108	1,000
" registered			J & J	106	June 17,'98	....	....	....
" 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	95	July 28,'98	....	....	....
" 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	130	Nov. 25,'98	130	128¼	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	107	Aug. 13,'98	....	....	....
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	123¼	Nov. 29,'98	123¼	123¼	2,000
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	1,041,000	A & O	102⅛	Nov. 21,'98	102⅛	102⅛	4,000
" con. co. 1st 7's	1900	9,529,000	J&J	108	Oct. 27,'98	....	....	....
" con. 1st registered	1900		Q J	106⅞	Nov. 25,'98	106⅞	106⅛	89,000
" con. co. 2d 7's	1903	8,986,000	J&D	117	Aug. 31,'98	....	....	....
" con. 2d registered	1903		J&D	115⅛	Nov. 29,'98	115⅛	115⅛	1,000
" g 3½s	1997	27,412,000	J & D	107¾	Nov. 30,'98	107¾	106⅛	180,000
" " registered			J & D	107⅛	Nov. 28,'98	107⅛	107⅛	4,000
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	121	Oct. 24,'98	....	....	....
Michigan Cent. 1st con. 7's	1902	8,000,000	M & N	112	Nov. 18,'98	112	110¼	23,000
" 1st con. 5's	1902	2,000,000	M & N	104¼	Nov. 21,'98	104¼	104	5,000
" 6's	1909	1,500,000	M & S	122	Feb. 25,'98	....	....	....
" coup. 5's	1931	3,576,000	M & S	121¼	June 21,'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	....	....	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	105¾	Nov. 30,'98	106	105	116,000
" registered			A & O	104	Nov. 22,'98	104	104	6,000
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	162⅛	Nov. 29,'98	162⅛	161	24,000
" small certifs	$100	1,430,000	......	160	Oct. 26,'98	....	....	....
Housatonic R. con. g. 5's	1937	2,838,000	M & N	126⅛	Aug. 26,'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	121⅛	Nov. 26,'98	121⅛	121⅛	12,000
" 1st 6's	1905	4,000,000	J & J	115	Oct. 21,'98	....	....	....
N.Y., Ontario & W'n con. 1st g. 5's	1939	5,600,000	J & D	108¼	Nov. 30,'98	108¾	107¾	71,000
" Refunding 1st g. 4's	1992	8,375,000	M & S	103¼	Nov. 30,'98	103½	102¾	161,000
" Registered	$5,000 only.	....	M & S	101⅛	Nov. 30,'98	101⅛	101⅛	5,000
N.P. 1st m. R.R. & L.G.S.F.g.c. 6's	1921	5,484,000	J & J	117	Nov. 18,'98	117⅝	117	4,000
" registered			J & J	117	Oct. 15,'98	....	....	....
St. Paul & N. Pacific gen 6's	1923	7,985,000	F & A	131⅛	Oct. 13,'98	....	....	....
" registered certificates			Q F	130	Sept. 28,'98	....	....	....
N. P. Ry prior ln ry. & ld. gt. g. 4's	1997	86,124,000	Q J	101¾	Nov. 30,'98	102⅛	100¾	1,841,000
" registered			Q J	100⅛	Sept. 30,'98	....	....	....
" gen. lien g. 3's	2047	56,000,000	Q F	67½	Nov. 30,'98	68	65⅝	2,067,500
" registered			Q F	....	....	....	....	....
Washington Cen. Ry 1st g. 4's	1948	1,538,000	QMCH	88	Nov. 1,'98	88	88	1,000
Nor. Pacific Term. Co. 1st g. 6's	1933	3,891,000	J & J	116	Nov. 30,'98	116	116	11,000
Norfolk & Southern 1st g. 5's	1941	750,000	M & N	102	June 27,'98	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	123	Sept. 12,'98	....	....	....
" New River 1st 6's	1932	2,000,000	A & O	128	Nov. 25,'98	128	128	2,000
" imp'ment and ext. 6's	1934	5,000,000	F & A	117⅛	Aug. 30,'98	....	....	....
" Sci'o Val & N.E. 1st g. 4's	1989	5,000,000	J & N	93¾	Nov. 26,'98	93¾	91⅛	52,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	101	Feb. 23,'97	....	....	....

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Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	November Sales. High	November Sales. Low.	November Sales. Total.
Norfolk & West. Ry 1st con. g. 4s.1996	23,319,100	A & O	86¾	Nov. 30,'98	87	83½	1,659,000
" 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	....	....	....
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	84	Sept. 8,'98	....	....	....
" gen. mortg. g 4's........1921	1,381,000	M & N	9	Sept. 7,'98	....	....	....
" gen. eng. Trust Co. certs...	1,417,000	......	8½	Sept. 8,'98	....	....	....
Omaha & St. Lo. 1st g 4's..........1901	2,876,000	J & J	80	Nov. 30,'98	80	78	13,000
Oregon Ry. & Nav. 1st s. f. g. 6's..1909	1,202,000	J & J	114	Oct. 25,'98	....	....	....
Oregon R. R. & Nav.Co.con. g 4's.1946	19,084,000	J & D	101⅛	Nov. 30,'98	101⅝	100⅛	426,000
Oregon Short Line 1st g. 6's......1922	13,651,000	F & A	130	Nov. 30,'98	130½	128¾	131,000
Utah & Northern 1st 7's........1908	4,993,000	J & J	121	June 18,'98	....	....	....
" 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	109¼	Nov. 30,'98	109½	107½	186,500
" non-cum. inc. A 5's.....1946	7,185,000	SEPT.	88	Nov. 30,'98	88	76	698,500
" non-cum. inc. B.&col. trust	14,341,000	OCT.	63½	Nov. 30,'98	64	57	1,531,000
Pacific Coast Co. 1st g. 5's........1946	4,446,000	J & D	107½	Nov. 29,'98	107½	105¼	183,000
Panama 1st sink fund g. 4½'s....1917	1,859,000	A & O	....		....	....	....
" 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	114¾	Nov. 23,'98	115⅝	114¾	9,000
" reg.......................1921		J & J	110	July 8,'98	....	....	....
" gtd.3½ col.tr.reg. cts..1937	5,000,000	M & S	102	Nov. 11,'98	102	102	20,000
Pitts., C. C. & St. Louis con. g 4½'s							
" Series A 1940	10,000,000	A & O	113½	Nov. 28,'98	113¾	111½	42,000
" Series B 1942	10,000,000	A & O	111½	Oct. 19,'98	....	....	....
" Series C 1942	2,000,000	M & N	113	Nov. 23,'98	113	113	1,000
" Series D gtd. 4's......1945	4,863,000	M & N	104	Nov. 16,'98	104	104	5,000
Pitts., C. & St. Louis 1st c. 7's..1900	6,863,000	F & A	108	June 6,'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	Nov. 10,'98	141	141	3,000
" 2d 7's..................1912	2,546,000	J & J	141	Nov. 10,'98	141	141	1,000
" 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,'93	....	....	....
Cleve. & Pitts. con. s. fund 7's..1900	1,310,000	M & N	107	May 25,'96	....	....	....
" gen.gtd.g.4½'s Ser. A.1942	3,000,000	J & J	113	Apr. 18,'95	....	....	....
" Series B..............1942	1,699,000	A & O	....		....	....	....
E.&Pitts. gen.gtd.g.3½s Ser.B..1940	2,250,000	J & J	....		....	....	....
" " " C..1940	1,118,000	J & J	....		....	....	....
G. R. & Ind. Ex. 1st gtd. g 4½ g 1941	4,447,000	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	....		....	....	....
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.& BgeCo 1stgtdg.4's.1936	1,300,000	F & A	....		....	....	....
Sunbury & Lewiston 1st g. 4's..1936	500,000	J & J	....		....	....	....
Peo., Dec.&Ev.Tr.Co.ctf.1stg.6's.1920	1,140,000	J & J	99	Nov. 22,'98	99	99	2,000
" Ev.div.Tr.Co.cf1stg.6's.1920	1,433,000	M & S	95¾	Oct. 7,'98	....	....	....
" Tr. Co. ctfs. 2d mort 5's.1926	1,851,000	M & N	18½	June 2,'98	....	....	....
" " 1st instal. paid.....	....	......	....		....	....	....
Peoria & Pekin Union 1st 6's....1921	1,500,000	Q F	120	May 11,'98	....	....	....
" 2d m 4½'s................1921	1,499,000	M & N	90	Sept. 22,'98	....	....	....
Pine Creek Railway 6's..........1932	3,500,000	J & D	137	Nov. 17,'98	....	....	....

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Pittsburg, Clev. & Toledo 1st 6's	1922	2,400,000	A & O	107 1/4	Oct. 26,'98	....	....	....
Pittsburg, Junction 1st 6's	1922	1,440,000	J & J	121	Nov.26,'98	121	121	5,000
Pittsburg & L. E. 2d g. 5's ser. A	1928	2,000,000	A & O	112	Mar. 25,'98	....	....	....
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	90	Oct. 10,'98	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's	1940	3,000,000	A & O	111 1/8	Nov. 5,'98	111 1/8	111 1/8	5,000
" 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	95 1/8	Nov.30,'98	95 1/8	94 1/4	387,000
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	84 5/8	Nov.30,'98	85	80 3/4	2,737,000
" registered			J & J	....	....	....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	90 3/4	Nov.30,'98	91	88 1/8	168,000
Rio Grande Junc'n 1st gtd. g. 5's	1939	1,850,000	J & D	91	June 16,'98	....	....	....
Rio Grande Southern 1st g. 3-4	1940	4,510,000	J & J	74	Nov.29,'98	74	71 1/8	84,000
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	84 1/8	Nov.29,'98	84 1/8	80 3/4	14,000
St. Louis & San F. 2d 6's, Class A	1906	500,000	M & N	114	July 20,'98	....	....	....
" 2d g. 6's, Class B	1906	2,725,000	M & N	114	Nov.22,'98	114	113	15,000
" 2d g. 6's, Class C	1906	2,400,000	M & N	114	Nov.30,'98	113 3/4	113 1/4	10,000
" 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	122 1/4	Nov.30,'98	122 3/4	121	102,000
" gen. g. 5's	1931	12,293,000	J & J	107 3/8	Nov.30,'98	107	105 1/8	179,000
" 1st Trust g. 5's	1987	1,099,000	A & O	100	Nov.10,'98	100	100	4,000
Ft. Smith & Van B. Bdg. 1st 6's	1910	304,000	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	82 7/8	Nov.30,'98	83 1/4	78 1/8	528,000
" South'n div. 1st g. 5's	1947	1,500,000	A & O	96	Nov.30,'98	96	94	52,000
St. Louis S. W. 1st g. 4's Bd. ctfs.	1989	20,000,000	M & N	80 3/4	Nov.30,'98	80 7/8	79	1,002,000
" 2d g. 4's inc. Bd. ctfs.	1989	8,000,000	J & J	35 1/8	Nov.30,'98	36	33	1,396,000
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	Nov. 5,'98	117	117	8,000
" 2d 5's	1917	2,000 000	A & O	108	Nov.18,'98	108	105 3/4	6,000
St. Paul, Minn. & Manito'a 2d 6's	1909	8,000,000	A & O	121 1/4	Oct. 11,'98	....	....	....
" Dakota ext'n 6's	1910	5,676,000	M & N	123 1/2	Nov.25,'98	123 1/2	123 1/8	1,000
" 1st con. 6's	1933	13,344,000	J & J	137	Nov.25,'98	137	136	18,000
" 1st con. 6's, registered			J & J	120	Aug.19,'95	....	....	....
" 1st c. 6's, red'd to 4 1/2's		21,196,000	J & J	112 1/2	Nov. 9,'98	112 1/8	112	32,000
" 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	103 3/4	Nov.29,'98	103 3/4	103 3/4	7,000
" registered			J & D	96	Feb. 19,'97	....	....	....
Minneapolis Union 1st 6's	1922	2,150,000	J & J	127 1/4	Feb. 8,'98	....	....	....
Montana Cent. 1st 6's int. gtd.	1937	6,000,000	J & J	130	Oct. 27,'98	....	....	....
" 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's	1937	2,700,000	J & J	112 1/2	Sept.22,'98	....	....	....
" registered			J & J	....	....	....	....	....
Eastern Minn. 1st d. 1st g. 5's	1908	4,700,000	A & O	110	Nov.15,'98	110	110	4,000
" registered			A & O	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's	1938	3,625,000	J & D	113	Aug.26,'98	....	....	....
" registered			J & J	....	....	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's	1919	3,872,000	J & J	100 1/4	Oct. 20,'97	....	....	....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	106 5/8	Aug. 2,'97	....	....	....
" 1st g. 5's	1934	1,780,000	A & O	104 1/8	Oct. 18,'97	....	....	....
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	104 3/4	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	100	Nov.29,'98	100 1/8	95 1/4	183,000

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER 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	103½	Sept. 29,'98			
" Mex. & P. div 1st g 5's	1931	13,418,000	M & N	98½	Nov. 30,'98	98¾	96½	252,000
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	112	Nov. 28,'98	112	112	7,000
" con. g 6's int. gtd	1912	3,455,000	A & O	112	Sept. 30,'98			
" gen. g 4's int. gtd	1921	4,297,000	A & O	85½	Nov. 30,'98	85¾	83¼	363,000
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	93¾	Nov. 23,'98	93¾	92¾	50,000
San Ant. & Aran Pass 1st gtd g 4's	1943	18,886,000	J & J	74	Nov. 30,'98	76¼	70	2,165,000
Tex. & New Orleans 1st 7's	1905	1,620,000	F & A	115⅛	Nov. 14,'98	115⅛	115⅛	10,000
" 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	103½	Nov. 30,'98	103½	103	167,000
South'n Pac. of Ariz. 1st 6's	**1909-1910**	10,000,000	J & J	112¼	Nov. 29,'98	112¼	108⅛	210,000
South. Pac. of Cal. 1st g 6's	**1905-12**	30,577,500	A & O	109½	Oct. 27,'98			
" **1st con. gtd. g 5's**	**1937**	9,671,000	M & N	102½	Nov. 11,'98	102½	102½	1,000
" **stamped**	**1905-1937**	10,000,000		104⅝	Nov. 30,'98	105	104⅝	12,000
Austin & Northw'n 1st g 5's	**1941**	1,920,000	J & J	89	Nov. 30,'98	89	87	39,000
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	113⅝	Nov. 23,'98	113⅝	109	130,000
Southern Railway 1st con. g 5's	1994	27,859,000	J & J	104¼	Nov. 30,'98	104½	99	2,517,000
" registered			J & J	98	Oct. 31,'98			
" Memph. div. 1st g. 4-4½-5's	1996	5,083,000	J & J	107	Nov. 21,'98	107	107	19,000
" registered			J & J					
East Tenn. reorg. lien g 4's	1938	4,500,000	M & S	102¾	Nov. 21,'98	102¾	102½	10,000
" 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	118	Sept. 30,'98			
East Tenn., Va. & Ga. 1st 7's	1900	3,123,000	J & J	107½	Nov. 9,'98	107⅛	107⅛	3,000
" divisional g 5's	1930	3,106,000	J & J	116½	Nov. 25,'98	117	116	21,000
" con. 1st g 5's	1956	12,770,000	M & N	113	Nov. 29,'98	113¼	112⅛	43,000
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	125	Nov. 30,'98	125	123	5,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	118⅛	Nov. 28,'98	118½	117	8,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	125	Nov. 29,'98	125	125	5,000
" 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	104	Sept. 14,'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	109	Nov. 26,'98	109	108½	36,000
" **gen. 5's. gtd. stamped**	**1926**	2,466,000	M & N	109½	Nov. 29,'98	109½	109½	1,000
W. O. & W. 1st cy. gtd. 4's	**1924**	1,025,000	F & A	90	Aug. 25,'98			
W. Nor. C. 1st con. g 6's	**1914**	2,531,000	J & J	114	Nov. 7,'98	114	114	12,000
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					
Ter. R. R. Assn. St. Louis 1g 4½'s	**1939**	7,000,000	A & O	109	Oct. 13,'98			
" **1st con. g. 5's**	**1894-1944**	4,500,000	F & A	110	Nov. 18,'98	110	109	14,000
St. L. Mers. bdg. Ter. gtd g. 5's	**1930**	3,500,000	A & O	103	Oct. 27,'98			
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**	3,346,000	M & S	105¼	Sept. 13,'98			
" **1st gold 5's**	**2000**	21,216,000	J & D	109	Nov. 29,'98	110	107⅝	162,000
" **2d gold income, 5's**	**2000**	23,227,000	MAR.	45½	Nov. 30,'98	48	44¾	3,859,000
Third Avenue 1st g 5's	**1937**	5,000,000	J & J	126½	Nov. 30,'98	126½	126½	3,000

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.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	106	Nov. 30,'98	106	105	23,000
" 1st M. g 5's West. div...1935	2,500,000	A & O	104	Nov. 22,'98	104	104	5,000
" gen. g. 5's.... 1935	1,500,000	J & D	....	....	....	....	....
" Kanaw & M. 1st g. g. 4's.1990	2,340,000	A & O	79⅞	Nov. 15,'98	80	78	58,000
Toledo, Peoria & W. 1st g 4's....1917	4,400,000	J & D	78⅛	Nov. 29,'98	79	76⅛	19,000
Tol., St.L.&K.C. Tr. Rec. 1st g 6's.1916	8,234,000	M & N	90	Nov. 30,'98	91	89⅛	105,000
Ulster & Delaware 1st c. g 5's....1928	1,852,000	J & D	102⅛	Nov. 30,'98	102⅛	100	20,000
Union Elevated (Chic.) 1st g.5's.1945	4,237,000	A & O	....	....	....	....	....
Union Pacific R. R. & ld gt g 4s.1947	90,000,000	J & J	101⅛	Nov. 30,'98	101¾	99⅞	3,192,000
" registered..................		J & J	99½	Oct. 26,'98	....	....	....
Union Pac. Tr. Co. cts. g. 4½s..1918	2,000,000	M & N	65	Nov. 23,'98	65	61	132,000
U.P. Den.&GT.Co.cf.1stc.g.5's.1939	15,288,000	J & D	85⅛	Nov. 30,'98	86	79⅝	3,382,000
Wabash R.R. Co., 1st gold 5's....1939	31,664,000	M & N	111⅞	Nov. 30,'98	112½	111	244,000
" 2d mortgage gold 5's..1939	14,000,000	F & A	91	Nov. 29,'98	92	89⅝	376,000
" deben. mtg series A..1939	3,500,000	J & J	....	....	....	....	....
" series B...............1939	25,740,000	J & J	83⅛	Nov. 30,'98	84⅞	80¼	1,342,000
" 1st g.5's Det.& Chi.ex.1940	3,500,000	J & J	107⅛	Nov. 23,'98	108	107	56,000
St. L., Kan. C. & N. St. Chas. B. " 1st 6's..................1908	1,000,000	A & O	110	June 7,'98	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	110	Nov. 30,'98	110	109½	25,000
" gen g. 2-3-4's............1943	10,000,000	A & O	54	Nov. 30,'98	56½	53½	104,000
" inc. 5's..................1943	10,000,000	Nov.	14⅛	Nov. 30,'98	14½	14	24,000
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	3,250,000	J & J	108	Feb. 18,'96	....	....	....
Wheeling & Lake Erie 1st g. 5's.1926	1,018,000	A & O	103	Sept.28,'98	....	....	....
" Trust Co. certificates......	1,982,000	......	101	Nov. 26,'98	101	100	9,000
" Wheeling div. 1st g. 5's.1928	1,500,000	J & J	100	Sept. 2,'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	49¼	Sept.26,'98	....	....	....
Wisconsin Cent.Co. 1st trust g.5's1937	1,987,000	J & J	34	Nov. 16,'97	....	....	....
" eng. Trust Co. certificates.	10,013,000	......	62	Nov. 29,'98	64⅝	59¾	2,427,000
" income mortgage 5's...1937	7,775,000	A & O	7	Nov. 1,'98	7	7	5,000

UNITED STATES GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1898. *High.*	YEAR 1898. *Low.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
United States 2's registered........Opt'l	25,364,100	Q M	98⅝	98	98⅝	98⅝	20,000
" 3's registered..............1898		Q F	105⅞	104⅛	105⅞	105⅛	154,000
" 3's coupon.................1898	179,399,180	Q F	106⅛	105⅛	106⅛	105⅛	2,061,500
" 3's small bonds reg........1898		Q F	105¼	104⅝	....	....	......
" 3's small bonds coupon...1898		Q F	106	104⅜	106	105	68,970
" 4's registered..............1907	559,646,900	J A J&O	113⅝	106	111⅞	111	297,000
" 4's coupon..................1907		J A J&O	114¾	107	112⅝	111¾	51,500
" 4's registered..............1925	162,315,400	Q F	129⅛	116¾	127⅛	127⅛	85,000
" 4's coupon..................1925		Q F	129¾	117⅝	127⅞	126¾	193,500
" 5's registered..............1904	100,000,000	Q F	115	103¾	112⅛	111⅞	88,000
" 5's coupon..................1904		Q F	115	109¾	112¼	112	33,000
" 6's currency..................1899	14,004,560	J & J	104	102¼	....	....	......
" 4's reg. cer. ind. (Cherokee)1899	1,660,000	MAR	....	....	....	....	......
District of Columbia 3-65's...........1924		F & A	117	115	....	....	......
" small bonds.....................	14,083,600	F & A	....	....	....	....	......
" registered.......................		F & A	....	....	....	....	......
" funding 5's..................1899		J & J	....	....	....	....	......
" " small....................	800,400	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.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	105	Nov.25,'98	105	101¾	76,000
American Cotton Oil deb. g. 8's..1900	8,068,000	Q F	108	Nov.22,'98	108	107¾	21,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	2,000,000	M & S	83¼	Nov.30,'98	85	82½	150,000
Barney & Smith Car Co. 1st g. 6's.1942	1,000,060	J & J	....	....	....	....	....
B'klyn Wharf & Wh. Co. 1st g. 5's.1945	17,500,000	F & A	92	Nov.28,'98	92	88	48,000
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	2,575,000	J & J	....	....	....	....	....
Colo. Coal & Iron 1st con. g. 6's..1900	2,954,000	F & A	100¼	Nov.14,'98	100¼	100¼	2,000
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	1,048,000	M & N	104	Jan. 18,'98	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..1943	2,021,000	F & A	79	Nov.16,'98	81½	79	81,000
Commercial Cable Co. 1st g. 4's.2397.	18,000,000	Q & J	103¾	Nov.10,'98	103¾	103¾	6,000
" registered....................		Q & J	104	Feb. 16,'98	....	....	....
Det. Mack.&Mar. ld. gt. 3½ S A..1911	3,021,000	A & O	18¾	Nov.29,'98	18¾	17	238,000
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	1,960,000	J & J	104⅝	Nov.28,'98	104⅝	104	25,000
Grand Riv. Coal & Coke 1st g. 6's.1919	780,000	A & O	90	Nov. 26,'95	....	....	....
Hackensack Wtr Reorg. 1st g. 5's.1926	1,090,000	J & J	107½	June 8,'92	....	....	....
Hend'n Bdg Co. 1st s'k. f'd g. 6's.1931	1,705,000	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	105½	Oct. 10,'98	....	....	....
" 2d g. 5's..................1926	1,000,000	J & D	80	May 4,'97	....	....	....
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	108¼	Jan. 5,'92	....	....	....
" registered....................		M & N			....	....	....
Mich. Penins. Car Co. 1st g 5's...1942	3,000,000	M & S	98	Nov.29,'97	98	95	24,000
Nat. Starch Mfg. Co., 1st g 6's...1920	3,887,000	J & J	104	Nov.17,'98	104	103½	20,000
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	....	....	....
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	106⅝	Oct. 14,'95	....	....	....
Procter & Gamble, 1st g 6's......1940	2,000,000	J & J	118	Apr. 4,'98	....	....	....
Roch & Pitts. Cl & Ir. Co. pur my 5's.1946	1,100,000	M & N	....	....	....	....	....
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	2,912,000	F & A	79½	Nov.30,'98	83	77¾	432,000
" " inc. g. 5's.1946	7,500,000	......	20½	Nov.30,'98	24½	19⅝	1,252,000
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	94½	Nov.28,'98	95	92	29,000
" Bir. div. 1st con. 6's...1917	3,399,000	J & J	96	Nov.28,'98	98	94½	26,000
Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & J	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	Nov.25,'98	115	115	5,000
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series B 5's..................1899-1914	1,000,000	M & N	....	....	....	....	....
" C 5's..................1900-1915	1,000,000	A & O	....	....	....	....	....
" D 4½'s..................1901-1916	1,000,000	J & J	....	....	....	....	....
" E 4's..................1907-1917	1,000,000	J & D	....	....	....	....	....
" F 4's..................1908-1918	1,000,000	M & S	....	....	....	....	....
" G 4's..................1908-1918	1,000,000	......	....	....	....	....	....
Small bonds........................	....	......	....	....	....	....	....

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.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
Vermont Marble, 1st s. fund 5's	1910	640,000	J & D	....	....	....	....	....
Western Union deb. 7's	1875-1900	8,680,000	M & N	108	Nov. 21,'98	108	108	1,000
〃 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	113½	Nov. 29,'98	113⅜	111⅛	57,000
Mutual Union Tel. s. fd. 6's	1911	1,957,000	J & J	111	Nov. 17,'98	111	111	2,000
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	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's	1947	1,150,000	J & D	....	....	....	....	....
Bost. Un. Gas tst ctfs s'k f'd g. 5's	1939	7,000,000	J & J	91⅝	Oct. 12,'98	....	....	....
B'klyn Union Gas Co. 1st con. g. 5's	1945	13,239,000	M & N	114¾	Nov. 28,'98	115	114¼	58,000
Columbus Gas Co., 1st g. 5's	1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's	1923	4,318,000	J & J	95¼	Nov. 30,'98	95¼	93⅝	474,000
Detroit Gas Co. 1st con. g. 5's	1918	1,049,000	F & A	94	Aug. 10,'98	....	....	....
Edison Elec. Illu. 1st conv. g. 5's	1910	4,312,000	M & S	110¾	Nov. 29,'98	110¾	110⅛	15,000
〃 1st con. g. 5's	1995	2,156,000	J & J	117	Oct. 10,'98	....	....	....
〃 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	....	....	....
General Electric Co. deb. g. 5's	1922	6,000,000	J & D	109	Nov. 29,'98	110½	109	10,000
Grand Rapids Gas Light Co. 1st g. 5's	1915	1,225,000	F & A	92½	Mar. 11,'95	....	....	....
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	106	Nov. 30,'98	106	104⅛	59,000
〃 small bonds				97½	Nov. 1,'95	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's	1904	2,100,000	M & N	117½	Nov. 22,'98	117½	117½	59,000
〃 2d gtd. g. 6's	1904	2,500,000	J & D	108	Nov. 22,'98	108	108	3,000
〃 1st con. g 6's	1943	4,900,000	A & O	117¾	Nov. 29,'98	117¾	115	8,000
〃 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	110¾	Nov. 25,'98	110¾	110¾	21,000
Con. Gas Co. Chic. 1st gtd. g. 5's	1936	4,346,000	J & D	105	Oct. 4,'98	....	....	....
Eq. Gas & Fuel, Chic. 1st gtd. g. 6's	1905	2,000,000	J & J	105½	Oct. 21,'98	....	....	....
Mutual Fuel Gas Co. 1st gtd. g. 5's	1947	5,000,000	M & N	104⅛	Nov. 29,'98	105	100	262,000
Western Gas Co. col. tr. g. 5's	1933	3,805,500	M & N	101	Mar. 16,'98	....	....	....

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	$164,236,793
February	24,400,997	28,796,056	148,661,209	28,572,358	26,599,256	167,623,182
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	44,314,062	181,238,137
May	29,797,390	29,109,259	144,319,562	30,074,318	47,849,909	171,818,055
June	36,584,708	22,934,694	140,790,738	33,509,318	47,852,281	167,004,410
July	39,027,364	50,100,909	140,817,699	43,847,108	74,263,475	189,444,714
August	19,023,615	33,588,047	144,216,377	41,782,707	56,260,717	217,904,485
September	21,933,098	25,368,815	147,663,105	39,778,070	54,223,921	242,297,543
October	24,391,415	33,701,512	153,573,147	39,630,051	53,982,276	*240,645,651
November	43,363,005	37,810,839	157,363,851	38,900,915	49,090,980	*241,267,547
December	59,646,098	27,634,093	160,911,547			

* This balance as reported in the Treasury sheet on the last day of the month.

BANKERS' OBITUARY RECORD.

Bawden.—John H. Bawden, for many years Cashier of the Second National Bank, Baltimore, Md., died November 27. His death occurred in the Sunday School Room of the East Baltimore Station M. E. Church, Mr. Bawden being Superintendent of the school. He was born in England about seventy-three years ago, and had been in the employ of the bank for thirty-two years, and had been Cashier for twenty-four years.

Bean.—John W. Bean, for more than a quarter of a century President of the Clark County National Bank, Winchester, Ky., died November 24, aged seventy-five years.

Chadwick.—Capt. Thomas G. Chadwick, Vice-President of the First State Bank, of Chester, Ill., died November 18, aged seventy-six years. He was born in Massachusetts, but had resided in Missouri and Illinois since 1858.

Comstock.—Andrew Comstock, President of the Commercial National Bank, Providence, R. I., and connected with many other corporations, died November 30.

Cox.—Francis Cox, Vice-President of the Salem (Mass.) Five Cents' Savings Bank, and a director of the Naumkeag National Bank, died November 16. He was born at Salem in 1819.

Dean.—Hon. B. L. Dean, representative-elect to the Alabama Legislature, Vice-President of the Alexander City (Ala.) Bank, and one of the leading lawyers of the State, died October 31.

Failing.—Henry Failing, President of the First National Bank, Portland, Oregon, died November 8. He was born in New York city in 1834, and early in life entered a counting-house, where he remained until 1851, when he accompanied his father to Portland. They engaged in general merchandising, and were very successful. In 1869 he purchased a large interest in the First National Bank, of which he became President, and to whose affairs he has since been devoted. Mr. Failing was three times elected mayor of Portland. As a banker and a citizen he ranked with the leading men of the Pacific Coast.

Foster.—Col. Calvin Foster, founder of the City National Bank, Worcester, Mass., and its President up to the time of his death, died November 12. He was born at Worcester in 1809. For thirty-five years he was head of the hardware firm of C. Foster & Co., retiring from active mercantile business in 1875. He was one of the founders of the Worcester Safe Deposit and Trust Co. and the People's Savings Bank.

Fry.—E. J. Fry, President of the First National Bank, Tamaqua, Pa., and prominent in business and public affairs, died November 11. He had been President of the bank since 1866, and was one of the organizers of its predecessor.

Godfrey.—Freeman Godfrey, Sr., Vice-President of the Grand Rapids (Mich.) National Bank, and one of the active and well-known business men of that city, died November 25. He was born in Vermont in 1825.

Grumme.—Fred Grumme, President of the Marshalltown (Iowa) State Bank, and ex-mayor of that city, died November 8.

Hardin.—T. A. Hardin, who established the banking house of T. A. Hardin & Co. at Fulton, Ill., in 1876, died November 4.

Lee.—Col. Henry Lee, Manager of the Union Safe Deposit Vaults, Boston, and until about a year ago senior member of the banking firm of Lee, Higginson & Co., of that city, died November 24. He was born in Boston in 1817, graduated at Harvard in 1836, after which he engaged in mercantile business, and in 1853 went into banking, which he followed for many years very successfully. In other walks of life, as well as in business, he was long one of the distinguished citizens of the New England metropolis.

Mast.—P. P. Mast, a wealthy manufacturer of Springfield, Ohio, and President of the Springfield National Bank, died November 20. His business interests were very large, extending into a number of different States. He was formerly mayor of Springfield.

McClure.—Johnson McClure, Manager of the Milwaukee (Wis.) Clearing-House Association, died November 25.

Parsons.—H. C. Parsons, President of the West Branch National Bank, Williamsport, Pa., Vice-President of the Savings Institution, and also President of the Pennsylvania Bankers' Association, died November 21, aged sixty-four years. Besides his banking interests he was connected with many other railway and business enterprises, and was one of the prominent men of the State.

Schaefer.—Michael Schaefer, Cashier of the People's Savings Bank, Evansville, Ind., died November 26.

Spencer.—Harvey S. Spencer, Cashier of the Bank of Hamburgh, N. Y., since its organization, and one of its directors, died November 4.